

## WITHDRAWAL

*Executive nomination withdrawn from the Senate June 15 (legislative day of June 6), 1934*

## POSTMASTER

Hal P. Cotten to be postmaster at Rives, in the State of Tennessee.

## HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 15, 1934

The House met at 11 o'clock a.m.

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

Again, our Heavenly Father, the spirit of thanksgiving is in our breasts and the words of praise on our lips. We thank Thee for Him whose name is "Wonderful" for evermore. It expresses the utmost grandeur of spirit, beauty of character, and magnanimity of life. O God, let it be our happy lot to bear this supreme designation; inspire us, help us to live up to our name—a name that can be spoken above a whisper without apology under all the conditions of well-organized society. Blessed Lord, forbid that we should be tempted by fashion or pleasure, but being true to ourselves, we cannot then be false to any man. Take away from us the guilt of sin, satisfy the conscience, and bless us this day with the sense of forgiveness and peace. In all things may we be just and sympathetic, generous and enthusiastic in the service of all things good and wise. In the blessed name of our Savior. Amen.

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

## MESSAGE FROM THE SENATE

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

H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill and joint resolution of the House of the following titles:

H.R. 8544. An act making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations; and

H.J.Res. 330. Joint resolution authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 3231. An act to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes;

S. 3761. An act to authorize an annual appropriation of \$10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City; and

S.J.Res. 138. Joint resolution to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, the bill (H.R. 9145) entitled "An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic, to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces to be held at Asheville, N.C., on September 28, 29, and 30, 1934."

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. WALSH, Mr. COSTIGAN, and Mr. METCALF to be the conferees on the part of the Senate.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of a House resolution which I send to the desk.

Mr. VINSON of Georgia. Will the gentleman withhold that a moment?

Mr. BYRNS. Mr. Speaker, there are a half dozen unanimous-consent requests. I think we ought to take up the bills which the Speaker stated he is going to recognize for suspension and get rid of those because they are necessary in order that the House may get through and say this evening it is ready whenever the Senate is ready. If we take up 40 minutes with unanimous-consent requests we will be very late. These matters, it seems to me, can wait until after we have considered these bills, which are absolutely important and necessary in order that we may say to the Senate we are ready and we can tell them that tonight if we get through with these bills; otherwise we will be here very late.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution as follows:

## House Resolution 445

*Resolved*, That the letter from the Chief of the Bureau of Agricultural Economics of the Department of Agriculture, dated June 4, 1934, addressed to Congressman JAMES P. BUCHANAN, Chairman of the Committee on Appropriations of the House of Representatives, transmitting a report on the cotton classing facilities now available to the public under the United States Cotton Standards Act (U.S.C., title 7, secs. 61-65), and other statutory authority, together with certain suggestions as to the means by which a service might be made generally available to producers and others for classification of cotton according to the official cotton standards of the United States, be printed with illustrations as a document; and that 5,000 additional copies be printed for the use of the House document room.

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

There was no objection.

The resolution was agreed to.

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read the resolution, as follows:

## House Resolution 428

*Resolved*, That the expenses of conducting the investigation authorized by H.Res. 418 incurred by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed \$5,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof and approved by the Committee on Accounts.

With the following committee amendment:

On page 1, after line 9, insert a new section reading as follows: "Sec. 2. The official committee reporters shall be used at all hearings held in the District of Columbia."

Mr. SNELL. What investigation is this?

Mr. WARREN. This is for a further study by the Ways and Means Committee which the House unanimously passed yesterday.

Mr. SNELL. On what line?

Mr. WARREN. Along the line of new taxes and tightening up regulations.

Mr. SNELL. The gentleman does not think we are going to need new taxes?

Mr. WARREN. I hope not.

Mr. SNELL. If the gentleman hopes not, all right.

Mr. McFADDEN. Will the gentleman yield for a couple of minutes?

Mr. WARREN. I cannot yield for a speech.

Mr. McFADDEN. I want to compliment the committee and the leadership of the House on the passage of this bill.

Mr. BYRNS. Is the gentleman from Pennsylvania going to discuss this resolution or something else?

Mr. McFADDEN. I am going to discuss this resolution.

Mr. WARREN. I yield to the gentleman from Pennsylvania for a question.

Mr. McFADDEN. May I say that I just wanted to pay a few complimentary remarks to the leadership for the passage of this resolution, which is a resolution I have been asking the House to pass for some time. I compliment the leadership of the House on the passage of the resolution.

Mr. WARREN. The House passed it unanimously.

Mr. Speaker, I move the previous question.

Mr. McFADDEN. The resolution of investigation that was passed yesterday, for which this resolution provides the necessary funds to carry on the inquiry, gives the Ways and Means Committee authority to investigate tax evasions and the conduct of the Bureau of Internal Revenue. I hope and expect that the question of compromises and confidential memoranda settlements, and so forth, will be stopped, and that the matter of personnel and the inefficient employees' question will be corrected.

In my remarks before the House on April 18 (at p. 6853 of the RECORD), I pointed out that according to statistics furnished to a prominent magazine by Logan Morris, a former chairman of the United States Board of Tax Appeals, the Bureau of Internal Revenue in proceedings before the Board of Tax Appeals had been successful in sustaining its determinations of tax deficiencies only to the extent of approximately 32 percent between July 1, 1924, and July 1, 1933. This, as then pointed out, clearly demonstrates either one of two things: First, that the Bureau is grossly inefficient in proposing tax deficiencies or, secondly, that the Bureau is forced to make unjustifiable concessions after having notified taxpayers that they owe more taxes.

Is it not now time to inquire into this condition? Most certainly the public should not be continuously harassed by proposals of erroneous and illegal tax assessments. On the other hand, if there are actual deficiencies in taxes the Bureau should not be lax in asserting and defending them. Former Secretary of the Treasury Mellon, while still in office, reported to Congress that the major problem of tax administration was one of personnel. (Report of Joint Committee on Internal Revenue Taxation, vol. III, p. 3, 1928.)

This statement was made in connection with an exhaustive survey of the conditions existing on June 30, 1927. This survey formed the basis of certain recommendations as to additional personnel needed to carry into effect proposed changes in the administration of the taxing laws. Congress granted the request of the Secretary 100 percent. Seven years have elapsed and it seems to me appropriate to take an inventory of the results of these changes. The published reports of the results of appeals from Bureau determinations create serious doubt as to whether any improvement whatever has been made since appropriations were increased at the Secretary's request.

Reports are current that many employees occupying important key positions are unqualified for the positions which they hold and that many of them reached their positions not through reward for efficient service. The unfitness of these officials for their positions is said to be the subject of frequent comments both by those under them and by attorneys and accountants representing the public. Furthermore, it is common knowledge that many of these officials owe their positions either to the influence of tax practitioners or to taxpayers, and that consequently they are unable to dis-

charge their duties to the Government in a satisfactory manner.

If the Ways and Means Committee hopes to accomplish much, it should also examine into conditions existing in the field service. The disclosure of additional revenue is largely in the hands of a field force. Unless the field divisions function efficiently, millions of dollars in revenue is never uncovered. It is said that a number of the most important field divisions are supervised by men wholly unequal to the responsibilities of their positions with the result that substantial tax is never disclosed.

The previous question was ordered.

The committee amendment was agreed to.

The resolution as amended was agreed to.

A motion to reconsider was laid on the table.

#### LEAVE OF ABSENCE

Mr. SHANNON. Mr. Speaker, I ask for an indefinite leave of absence for the gentleman from Missouri [Mr. LOZIER], due to a sudden case of illness.

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

There was no objection.

#### MARINE BAND

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9145) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934 and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces to be held at Asheville, N.C., on September 28, 29, and 30, 1934, with Senate amendments, disagree to the amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

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

There was no objection.

The Chair appointed the following conferees: Mr. VINSON of Georgia, Mr. DREWRY, and Mr. BRITTEN.

#### MALCOLM C. TARVER

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with reference to the service of the gentleman from Georgia [Mr. TARVER].

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

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, a venerable custom in the House of Representatives brings us together yearly to pay glowing tribute to deceased Members, but too little is ever said of those who are still with us, giving the best years of their lives in useful public service. Why should we wait till the clouds fall on our colleagues to scatter a flower or two?

MALCOLM TARVER and I began our public service together as members of the Georgia Legislature when both of us had little more than reached our majorities. Afterward our paths separated, his leading to service for more than 10 years on the bench of the Cherokee circuit, while I came to Congress, where he joined me on March 4, 1927. Our associations throughout have been as close as those of brothers.

As the dean of the Georgia delegation, I know better than anyone else of his untiring service to his people, of his instant and enthusiastic response whenever any part of Georgia from Rabun's Gap to Tybee Light, or any colleague, or any Georgian, needed aid that he could render. I have seen his close attention to duty during the long hours that we have worked daily. While I have in the main agreed with his viewpoints on public questions, that has not always been true; but no colleague with whom he has served will question his sincerity or the fact that he has met every issue openly, frankly, and unafraid. He has never dodged or vacillated on any question, and he has the enviable and

unusual record of having answered every roll call except during a brief period when he was confined to his bed by illness.

We all know that unassuming devotion to duty and hard work are the things that lead to success in the House of Representatives. It has been true in his case. That fact is demonstrated by 41 bills passed that bear his name, although he has not been here long enough to acquire a chairmanship, and practically all bills of major importance bear the name of the chairman of the committee that formulates them, and by the further fact that he has the respect and high regard of the House Membership, particularly of the Georgia delegation, who recently chose him unanimously as the State's representative on the Democratic congressional campaign committee.

His ability as a lawyer soon won for him assignment to the powerful Committee on the Judiciary, where, during the present session, he has been influential in working out the details of some of the most important measures in the administration's program. As seventh from the chairman on that committee, his prospects for advancement, taking into consideration the usual percentages of retirements and deaths, are very bright, indeed.

Born and reared on a farm, and employed in his youth at times on public works, his devotion to the cause of the farmer and laboring man has been the outstanding characteristic of his congressional service. He has always adopted the position that the producer of wealth is entitled to a fair share of his product, and that national prosperity when restored must be restored from the bottom and not from the top. He has, therefore, been found supporting farm, labor, and relief legislation, all measures designed to raise commodity prices, the farm and home loan acts, Federal emergency aid for schools, the development of Muscle Shoals, aid for vocational education, the lowering of tariff barriers to our export trade, and numerous other measures designed to bring benefits to the many instead of the few.

His support of the Johnson bill, depriving Federal courts of jurisdiction in intrastate rate cases, contributed materially to its passage. His bill to decrease production in the penitentiaries in competition with free labor, directed at the operation of the Atlanta Penitentiary cotton mill, passed the House after a hard fight, and has also passed the Senate.

He has been the consistent friend of the veteran, insisting, however, that there must be a medium between extremes, and that veterans themselves do not, as a whole, desire benefits the Government is unable to accord them without endangering national recovery.

In the various prohibition fights, he earned the respect of the wets as well as the dries by his consistency in observing in his private life the principles he advocated publicly, and which he had declared in his first race for Congress, and by his tolerance of those who disagreed with his views. While that issue has now been transferred to the States, it must be said that his record in Congress on the subject is one of which he may justly be proud.

Judge TARVER has always been an earnest advocate of Federal aid in road building, and has aided in the enactment of every measure on the subject since he has been in Congress.

He introduced and secured administration approval with every chance of eventual passage a bill providing for the transfer of abandoned C.C.C. camps and equipment to State and local authorities for educational and recreational purposes, such as the activities of the 4-H clubs.

He secured the addition of the first lands in the Seventh District to the Cherokee National Forest, and has been active in securing their development and opening to the public by the building of necessary roads and trails; has obtained committee approval of the creation of a park at Kennesaw Mountain and the marking of the Johnston-Sherman line of march between Dalton and Atlanta, and the various battlefields; secured an appropriation to erect a marker at New Echota, old Cherokee Indian capital, near Calhoun; obtained appropriations for various roads owned by the Government at Chickamauga Park; has been continually working with the Bureau of Roads for the paving

of Federal routes in his district; and is at this time vigorously pressing the proposal for the development of the Coosa-Alabama River.

As we all know, a heavy portion of the work of a Congressman is attending to the thousands of requests for assistance in matters that are not of public concern. As to Judge TARVER's services in this respect, his constituents know far more than I; but when I see him coming to his office daily among the first in the morning, and leaving oftentimes late at night, I cannot but believe that in these services, too, he has an unusual record. Last year, as the result of complaints from some of his constituents who had deposited their 1930 cotton with the Georgia Co-ops and had not received the advancements to which they were entitled before it was transferred to the Secretary of Agriculture under the Agricultural Adjustment Act, he began negotiations with the Farm Credit Association which resulted in the recent payment to Georgia farmers of additional amounts aggregating \$85,000. Thus, in the so-called "little things", the services of a Congressman oftentimes result in great good to his people.

He is universally regarded by his colleagues as one of the most loyal Democrats and supporters of the administration in the House of Representatives.

I have felt it my duty to place these facts concerning the service of my lifelong friend in the RECORD. I have not undertaken to detail all by any means; but I know he is entitled to every word I have said, and I wish to say it now. He is in the very prime of life, and we all hope and believe he will have many more years of useful service.

#### SOME OF THE LAWS AND PRINCIPLES OF MONEY

Mr. GRAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the laws and principles of money and also on the control of money under the Constitution.

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

There was no objection.

Mr. GRAY. Mr. Speaker, I have already spoken of the taxing power, of the evils and abuses of the power to levy and collect taxes from the people.

#### GREATER THAN THE TAXING POWER

But there is another power of Government, greater than the taxing power, greater than the economic power which shrewd and crafty men can use to take and exact from the people their earnings, wages, and income—the fruits of their toil and labor. That power is the power of money, the power to issue money, the power to regulate the value of money, the power to control the volume and supply of money, maintained in circulation available for use, for the exchange of services, goods, property, and commodities. Under, by, and through the means of money more tribute can be taken from the people and greater tribute has been taken from the people, secretly hidden, covered and concealed, than ever despotic rulers have taken from their helpless and dependent subjects; than ever invading, marauding kings, by force of the military, armies, and navies, have ever exacted in conquest and subjugation, or claimed by leaders of victorious armies on pillage and plunder of the vanquished and carried off as the spoils of war.

#### A VITAL PUBLIC AGENCY

Money is a vital public agency. Its powers are great. Its blessings are great. Its dangers are great. The hidden, covered, and concealed power of money to control values and the price level, the wages, earnings, and income of the people, their buying and consuming power, thereby become subject to greater abuse than any other power or function of Government, a menacing evil operating in secret, preying upon the vitals of industry, draining and extorting from men the fruits of their toil and labor without their knowing or suspecting the cause of their burdens and distress.

#### NO GREATER POWER EXERTED OVER MEN

There is no greater power exerted over human welfare, over the destinies of men, than this hidden, covered, and

concealed power of money. It has been truthfully said of the evils of money, of the abuses of the power of money:

Sum up all the horrors of the age of slavery—men, women, and children sold at the auction block, and all the heartaches, suffering and bloodshed which resulted in both ancient and modern wars alongside the crimes of money—and they are as a pigmy standing in comparison with a giant.

And on this same subject, of the evils and power of money, the Midland Bank, Ltd., the largest bank in Great Britain, has made this statement:

History has shown that apart, perhaps, from wars and religious intolerance, no single factor, has been more productive of misery and misfortune than the high degree of changeability. (Referring to the changing volume and supply of money.)

#### A POWER TO ENRICH OR IMPOVERISH

The power of money includes the power to exhaust, the power to impoverish, the power to reduce to poverty and bankruptcy, one class of men in business; and the power to enrich and double the wealth of another class of men in business. The evils and abuses of money are as old as history, dating back to ancient times before Christ drove the money changers from the temple in Jerusalem. And the struggle for the control of money, the volume and supply of money, by which to use as a means to take from the people their earnings and income, has continued down under our own Government from our very beginning as a Nation, down to the present day and time.

#### THE INVENTION OF MONEY

The invention and use of money was the stepping stone from which mankind began the upward course of progress and advancement, leading to the higher planes of life and which opened the way for civilization. Without money as a means of exchange and to serve as a measure of values in the transfer of goods, property, and commodities, man would have remained in the Stone Age or have gained no further vantage ground than the dark ages of medieval times. It was by the means of money that men were enabled to exchange their services and what they produced for other services and what others produced, and thereby were left free to specialize as experts and to produce more and better comforts and conveniences and all the vital necessities of life which have lifted mankind to the higher state of living and human existence. It was by the means and use of money developing our specialized system of industry and making possible the economy of labor to live that men were afforded the opportunity to specialize and time to devote themselves as specialists to the development of the arts and sciences, and to charity and the institutions of benevolence which have lifted men from the semibarbarous state to the plane of our high and exalted civilization.

#### A POWER FOR GOOD OR EVIL

Probably no other one event in the course of human affairs has exerted a more controlling influence upon the growth and development of civilization than the one invention of money. But like many other great powers created for the common good and public welfare, money is susceptible of great abuse, and when prostituted for selfish gain, money becomes a monster, menacing evil, a blight, a curse upon man, reducing him to a state of slavery and abject servitude, an obedient, servient tool in the hands of cruel and relentless taskmasters, mentioned and referred to in ancient history as misers, shylocks, and money changers and known today, in modern terms, as "international financiers and manipulating bankers."

#### COMPARED TO THE BLOOD

Money circulating in the channels of business, industry, and trade has been compared to the blood flowing through the veins and arteries of the body. The blood is a hidden, covered, and concealed force, a mysterious power and agency of life, which only physicians, medical students, and chemists know and understand. Only financiers, expert bankers, and students of monetary science know, realize, and understand the hidden, concealed force and power of money to control values and the price level and how money can be used to take and exact from the people their earnings and income. As too great a volume of blood in the body would stimulate an excessive, abnormal growth, so too

great a volume of money in circulation would promote excessive exchange of commodities and bring on abnormal industrial conditions. On the other hand, as an insufficient amount of blood left circulating in the veins and arteries of the body or a failing, diminishing supply of blood would impair and dwarf the body, so a decrease or contraction of money and credit would impair and impede industry, retard the exchange of services and commodities, and bring on a panic or industrial depression.

#### MONEY HOLDS UP PRICES

It is a law of money that the volume and supply of money, the amount of money in circulation, controls values and the price level, like the amount of water in a pond controls the water level. Money holds up and sustains the price level like the water in a pond holds up the logs and sticks floating upon the water. If you drain the pond or let the water down half way, the logs and sticks will fall down half way with the water level. So it is with the volume and supply of money. Reduce the volume and supply of money one-half and money values and the price level fall one-half, all other conditions remaining the same. On the other hand, if the water or supply of money is low and you restore the volume of water or money you raise values and the price level as you raise the logs and sticks floating on the water.

#### A MEDIUM OF EXCHANGE

Money is a medium for the exchange of goods, commodities, services, and property without making physical transfer and delivery and without which the sale and exchange would be slow, tedious, and delayed, and possible only between the immediate parties and at the place where produced and consumed. Money is therefore a vital, necessary part of our free competitive system of industry under which every man must exchange some part of what he produces for some part of what others produce, and without which the system could not function and men would be driven back to primitive life, each compelled to return to the crude production of every article he needs and requires to meet his daily wants.

#### A MEASURE OF VALUE

But money is more than a medium of exchange, more than a means or facility to effect the exchange of services and commodities. Money is a measure of the value of services and commodities exchanged, measuring and parceling out the amount of services or commodities required to pay taxes, interest, debts, and mortgages; measuring and parceling out the amount of wheat, corn, or livestock, the amount of services, commodities, or produce which the people must surrender and give up to meet contracts, fixed charges, and obligations which must be paid and satisfied in money.

#### TWOFOLD FUNCTION

The functions of money are therefore twofold—both a medium of exchange and a measure of value. As a medium of exchange money serves or operates to effect the exchange of property or acceptance of the property or commodities exchanged or transferred. As a measure of value, money fixes, determines, and controls the price level, and under this measuring power, the money-controlling board or system becomes a price-fixing bureau or body. And the men in control of the system become economic dictators and arbiters of prices. The use of money may be compared to a bushel, pound, yard, or other measure with facilities, means, or transportation, by which the sale or exchange of the goods, property, or commodities are both measured and transferred from the seller to the purchaser, from the producer to the consumer, taken by and between the parties to the transaction.

#### THE VOLUME IN CIRCULATION CONTROLS PRICES

The volume and supply of money in circulation measures values in the price level. Double the amount of money in circulation and you double the money value of labor and products, you double the power of the people to pay taxes, interest, debts, and mortgages, and all fixed payments and contract obligations, all other conditions remaining the same, and only one-half the labor and labor products will be necessary and required to pay the same taxes, interest, debts, and mortgages and the remaining one-half would be

left to the people with which to buy, take, and consume for their use, comfort, and enjoyment the vital necessities of life, the products of farm, factory, mill, and workshop. On the other hand, take from circulation one-half of the volume and supply of money, and you destroy one-half the money value of labor and the products of labor. You take away from the people one-half of their power to pay interest, taxes, debts, and mortgages and all fixed payments and contract obligations, and destroy the consuming surplus over. Or, in other words, you double the burden of taxes, interest, debts, and mortgages and compel the people to produce and give up double the amount of labor and products to pay the same taxes, interest, debts, and mortgages and take from them the means and power to provide themselves with the necessities of life.

Radio time will not permit me to give more than one authority on money. But that will be the highest authority recognized by the world today. I quote from John Stuart Mill, from his Principles of Political Economy:

That an increase in the quantity of money raises prices, and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to the others.

If the whole money in circulation was doubled, prices would be doubled. If it was only increased one-fourth, prices would rise one-fourth. There would be one-fourth more money, all of which would be used to purchase goods of some description.

And by the same law and operations of money, reducing the volume and supply one-half, taking one-half the money out of circulation doubles the value of not only the remaining money but doubles the value of all bonds and mortgages and all papers and contracts payable in money and all fixed obligations and payments of money. This is the law of money, the law of supply and demand as applied to the volume of money, issued and maintained in circulation to serve as a medium of exchange and as a measure of values.

#### MANY FORCES INFLUENCE, BUT MONEY CONTROLS PRICES

It is true, there are other and different forces always exerting an influence over values and prices, the supply and demand of the commodities, and indirectly, custom, usage, fashions, and laws, which may all increase or diminish the demand, together with other and different intervening factors exerting an influence to control and fix prices. But money remains the greater and controlling force. The course of a boat moving in the river is subject to different forces operating—the wind with or against which the boat is moving, the friction of the water, the current of the stream, all exerting more or less an influence upon the movements and course of the boat. But the great propellers, moved by turbine engines beneath the deck in the hold below, exert the greater and controlling force, prevailing over all other factors operating and control the course and direction of the boat and its movements in the river. And so it is with the power of money, the secret, covered, concealed monetary force, as compared with other factors influencing the price level. Money represents the great positive force, the great propellers moving the boat of prices, and controls over all other economic forces, fixing values and determining prices and relative values as measured in money.

#### MONEY AND COMMODITY VALUES

There can be no such relative condition as high money values and high commodity values at one and the same time. One must go down that the other may go up. The fall of commodity values will cause a corresponding rise of money values. Money values and commodity and labor values are always relative and opposite. If money values are high, commodity and labor values will be low. If commodity and labor values are high, money values will be low. If property values and the price level are too low, it is because money values are too high.

#### THE POWER TO ISSUE MONEY

It was Anselm Rothschild, one of the great international financiers, who is credited with saying of money:

Let me issue and control the money of a nation, and I care not who makes the laws of that nation.

This great world financier knew that the power to issue money and to regulate the value thereof through the power to control the volume of money, the supply of money maintained in circulation, was greater power than the legislative power, greater than the judicial power, greater than the executive power, greater than the taxing power, greater than the combined power of government or state, to control and take from the people their earnings, income, and property. The great international financiers know this, because the power to control money and thereby values and the price level can be exercised secretly, hidden and concealed, taking and exacting from the people their substance and property unawares.

Shrewd and crafty men have long understood and used the power of money for profit and selfish gain to take from the people. They have used this power to lower prices when they wanted to buy. They have used this power to raise prices when they wanted to sell. And by increasing and decreasing, by raising, holding, and lowering the volume and supply of money and thereby raising and lowering from time to time the price level at will, men can take income and earnings from the people, until they are impoverished, until they are exhausted, until they are reduced to poverty and want without their knowing the cause of their burdens and distress, or how their earnings and income were being taken from them and they are left in bewildering want, suffering in darkness and mystery. By controlling the volume and supply of money, money can be used to make good times, or money can be controlled to make hard times; money can be used to bring prosperity, or money can be controlled to make a panic.

#### NOT A POWER FOR PRIVATE CONTROL

The control of the supply and amount of money moving in circulation is a vital public function, a power to be exercised only by the Government and the sworn and chosen representatives of the people. Money is a vital intervening agency between production and consumption, the control of which includes the power to speed up, facilitate the transfer and exchange of services and commodities, or the power to throttle, paralyze, or stop all at will. This vital intervening force of money is not a power for private control. Selfish interests are no more entitled to control the volume and supply of money than one man to claim the right to control the blood and life currents coursing through the veins of another man, or to control the civil rights of another man, or the liberty and freedom of another man, or the independence of another man, or be allowed to exercise, dictate, or control the taxing power of the Government to levy and collect taxes from the people for his own selfish use and benefit.

No one class of men should ever be allowed to control the volume and supply of money. And above all, private bankers and financiers should never be allowed to control the volume and supply of money, because bankers and private financiers, by reason of their knowledge of money, of the power and use of money, can take greater advantage through the control and manipulation of money than other classes of men. The banker's training disqualifies him to control the volume and supply of money. He is trained to measure all values by the dollar. The dollar is created to serve the people, but the bankers are trained to make the people serve the dollar. But this does not apply to the bankers we know. This applies to the bankers we do not know, to the bankers we only know of, and of whom the people and the country should be guarded against and know less of. The bankers we know are part of the people. They suffer with the people. They are victims with the people. With the bankruptcy of 4,000,000 farmers has come the failure of 10,000 bankers.

#### THE CONSTITUTION

Realizing the use of money as a vital element of industry, as a necessary medium of exchange, and as a measure of value, and the control of money as a power for good or evil in the economic life of the people, our forefathers wisely and specifically provided, in the Federal Constitution, for

the issue and control of public currency directly by the Congress of the United States, the sworn and chosen representatives of the people, the same as with the exercise of the taxing power. Clause 5, section 8, article I of the Federal Constitution vests Congress with the exclusive power to coin and issue money and to regulate the value thereof.

But, in wanton disregard of the positive provisions of the Federal Constitution, the basic fundamental law of the land, unmindful or evading, ignoring, and in disregard of the constitutional barriers thrown up to safeguard against the evils and abuses of the secret, selfish private control of money, Congress has abdicated its power and duty, solemnly enjoined by the Constitution to issue money and regulate the value thereof, and has surrendered and transferred that power and renounced the exercise of that power.

#### NATIONAL ARCHIVES

Mr. KELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, which bill is the gentleman referring to?

Mr. KELLER. It is the archives bill.

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

There was no objection.

The Chair appointed the following conferees: Mr. KELLER, Mr. WARREN, and Mr. LUCE.

#### PROBLEMS OF TODAY

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

The SPEAKER. Is there objection?

There was no objection.

Mr. RUFFIN. Mr. Speaker, a large majority of the people of the country, I am satisfied, felt that it was imperative that some salutary changes be made in conditions as they existed prior to the crash of 1929. In the prolonged economic chaos which has followed it was but natural that the restlessness of the period would manifest itself by the advocacy of extreme and irrational changes of every conceivable character. There seems to be two kinds of hysteria prevalent during these difficult times. One class becomes violent and is incarcerated in institutions. The other class, which thinks that it can handle the affairs of this country better than the President is handling them, is still at large.

There have been those who have advocated that all our ills were due to defects in our monetary system, and that by starting the printing presses and issuing untold amounts of paper money on the credit of the Government our difficulties would be immediately terminated. If history has taught us anything, it is that in the past no nation has ever printed itself out of a depression.

It was but natural that various groups and individuals, under pressure of surrounding circumstances, should push forward various measures which were designed primarily to advance their own interests. In such cases most of these measures would have been harmful to the country as a whole.

It has been the responsibility of this administration to steer a middle course between the small minority on the one hand, who were satisfied with the old order which produced the depression and who therefore wanted no changes, and the small minority, on the other hand, who would have us abandon overnight all the fundamental precepts which constitute the foundation of our civilization. It has taken both careful study and concerted action on the part of administration leaders to so steer the ship of state during this emergency as to avoid the dangers of either of the above courses. In pursuance of this policy, the present administration has enacted into law many measures which were calculated to afford the foundation of a future policy that would be sufficiently comprehensive to meet the changes

which society must undergo in the years immediately ahead of us.

One of the fundamental factors in our economic order is our banking system. It is no secret that when the present administration took over the Government on March 4 of last year our entire banking and credit structure was on the verge of complete collapse. It was, therefore, mandatory that aggressive action be immediately taken by the Government in order to save our people from irreparable and permanent injury. The first important step in this policy was the temporary closing of the banks by Executive order. This was followed in rapid succession by the enactment of the depositors' guaranty law, which tended to restore confidence and to induce people to deposit their money in the banks of the country.

After a few months it became evident that one of the chief obstacles to recovery was the disparity between present prices and prices as they had existed prior to the break in 1929. With the objective in view of remedying this situation with the least possible disturbance of confidence, it became necessary to suspend temporarily the operation of the gold standard, and later to change the gold content of the dollar. In making these delicate changes in our monetary machinery the administration was, of course, handicapped because of its inability to induce other nations to enter into international agreements to stabilize the currency, which, in the final analysis, is fundamentally an international problem. By reason of the failure of other nations to enter into agreements with us, we were forced to attack this problem in the most effective manner possible.

One of the most important steps in this program was the enactment of the Silver Purchase Act of 1934. This law provides for the expansion of our currency by requiring that one-fourth of the value of its metallic base must be maintained in silver and three-fourths thereof in gold. As a result of this act trade with foreign nations should be promoted and the price level of farm products should be raised.

One of the chief and immediate causes which led to the overspeculation which climaxed in the stock-market debacle in 1929 was the uncontrolled manipulations of the stock exchanges in the large cities. These exchanges, in effect, created a false sense of values in thousands of cases, and thereby encouraged overspeculation and an unwarranted rise and fluctuation in stocks of various kinds. This situation contributed directly to the crash of October 1929 and to the irreparable losses sustained by millions of our citizens as a result thereof. The administration has met this problem in an aggressive manner and has placed upon the statute books laws which are designed in the future to prevent the repercussion of such calamities.

During the peak times prior to 1929 the country became flooded with issues of securities of every kind and description. The various States had long prior to that time passed laws commonly known as "blue-sky" laws, which were designed to regulate the issuance and sale of securities to the people of their respective States. These laws were helpful insofar as they went, but, of course, they could not, in the nature of things, properly supervise the situation, because they had no jurisdiction over interstate sales and exchanges of securities.

Millions of innocent citizens of the country were swindled out of their life savings during this period, because they became the prey of dishonest salesmen who traveled over the country and unloaded on them worthless securities aggregating billions of dollars. In order that confidence might be restored in our banking and economic system, it was mandatory that the Federal Government should enact laws that would tend to prevent the recurrence of such happenings. This was effectively done in the enactment of the Securities Act of 1933, supplemented by a few changes made by the session of Congress now closing.

For many years leaders over the entire Nation had been of the opinion that there was gradually developing a pronounced disparity between the conditions in the agricultural

and industrial elements of our country. It became evident to thinking people everywhere that something must be done in order to eliminate this disparity in order to insure us the proper balance between these two fundamental groups of our society. Since the World War, the economic condition of the farmers had been growing steadily worse. It became necessary, therefore, that a broad and constructive policy be put into operation by the Congress for the relief of agriculture. Briefly speaking, it may be said that the difficulties lay in two sources, first, the inability of the farmers to get a fair price for what they produced and, second, their inability to procure the desired credit with which to carry on their operations. The present administration has endeavored to attack this problem from both these standpoints.

The administration has thrown the credit of the Federal Government behind a program designed to extend needed credit to deserving farmers. This has been done by important changes which have been made in the farm-loan policy. At the same time, the Government enacted the Agricultural Adjustment Act, which was primarily designed to raise the prices of farm products and increase purchasing power in agricultural sections. The difficulties encountered in the enforcement of a project of such immense proportions is readily discernible to any reasonable person. It is evident that the program has worked better in some communities than in others. It is also evident that as time goes on, other changes in this plan should be made in order to adjust it to ever-changing conditions. That the program would not prove 100 percent perfect under the trying situations of the time, was freely prophesied by its various proponents at its inception; that it has not been 100 percent perfect, as applied to the entire country, is freely admitted. It is, I think, however, the consensus of opinion of a large majority of the people affected that it has been of material assistance to all agricultural sections. It is hoped that as time goes on changes can be made which will contribute more and more to the solution of this important question and to the permanent betterment of all the people of the country. Complete recovery can never be attained until the people who are engaged in the basic industry of agriculture are prosperous.

One of the most aggravated situations with which this administration was confronted was the unemployment of many millions of our fellow citizens scattered over the entire country. This condition had been gradually creeping upon us for many years, due to an increase of labor-displacing machinery, as well as to other causes beyond our control. It became manifest to thinking people that this question had become of such magnitude by March of 1933 that it was no longer merely a local problem, but one to the solution of which the Federal Government should lend its assistance. Realizing its responsibility in this matter, the administration immediately enacted into law a plan under which the Federal Government would directly contribute to unemployment relief in the form of direct grants to the various communities to meet the existing emergency. Assistance was also extended in the form of a public-works program which was designed to be put into operation and financed by the various communities of the country in conjunction with the Federal Government. An industrial recovery program was also enacted, which was designed to eliminate unfair competition and raise wages to a living level in many industries. Both child labor and sweat-shops have been struck a severe blow. These programs furnished employment to millions of our fellow citizens who would otherwise have been forced to live upon charity, and have proved of material assistance to the entire country during this emergency. Unemployment is still an aggravated problem, and one that is not to be solved within a few months' time. As the months and years go by, it will remain with us, and the combined efforts of all thoughtful citizens will be needed in making innumerable adjustments required in the solution of it.

Realizing that in the final analysis economic recovery could not be attained under our system until industry could

be revived to the point where the unemployment situation could be solved, it became necessary that the Federal Government throw its credit and influence behind a program which would afford needed credit to industry, in order that it could continue to absorb the unemployed. This situation is being met by the enactment of a law which is designed to make available, especially to small business men, credit which should enable thousands of them to carry on and to continue to employ additional men.

Supplementing the Home Loan Act, the enactment of the program now pending in Congress, which is designed to make credit available for the construction and repairing of small homes, should be of great assistance. This will enable the construction of that which is needed rather than that which is wasteful, and should, at the same time, afford employment to hundreds of thousands of men engaged in the various phases of the building and kindred industries. In these industries unemployment has been most prevalent.

As was to have been expected, the Government was suddenly called upon to extend relief to certain drought-stricken areas and to other sections of the country which had become a prey to the devastating conditions under which we have been forced to labor during the last few years. In each case the Government has unhesitatingly realized its responsibility, and has acted with promptness and decision.

For many years the crime problem has become more aggravated, due to the intricate society in which we live. Billions of dollars have been exacted annually from the people of our country by various forms of racketeering, kidnaping, and other crimes. In many localities the lives and property of our citizens have been in constant peril, and at no place, under existing conditions, are they absolutely safe. Under our system of government, the responsibility, generally, of the enforcement of criminal laws properly rests with the States and the various communities. However, due to the advent of good roads and high-powered automobiles, crime has in many respects become a national as well as a community problem. Realizing the changes which we have undergone during the past several years, the Federal Government has enacted a complete crime program. The purpose is to throw the full weight of the Government behind the enforcement of the law as to crimes which are interstate in character and with which it is impossible for the various States and communities to adequately cope. This program was carefully considered with the view of not unduly encroaching upon the activities of the various States and communities. It is expected to be of material assistance in adequately eradicating crime in the country.

Foreign trade has been almost completely annihilated during the last few years by reason of the universal application of the policy of prohibitive tariffs based on the prevalent theory of economic nationalism. This policy has wrought havoc in our agricultural sections, because it has denied them a market for their exportable surpluses. The present administration has endeavored to remedy this situation, so far as this country is concerned, by the enactment of the recent Reciprocal Tariff Act. Under this law the President is permitted to bargain for trade with the various countries of the world on a businesslike basis. A judicious application of the principles and powers contained in this law should soon open up foreign markets to the agricultural and industrial interests of our country. This should prove of lasting benefit to our people.

Through the generosity of the people in Missouri in electing me to Congress, it has been my privilege, as a Member of Congress, to support the salient features of the various programs above mentioned as well as various other laws which I thought were in the interest of the general public.

The framers of our system of government in their wisdom saw fit to so draft our Constitution that under it the maximum of personal and property rights might be guaranteed at any given time consistent with the general good. Fortunately, however, the Constitution is also so drafted that

during times of war and other grave emergencies sufficient powers can be temporarily delegated to the Executive to insure practical solutions of such problems as confront us.

In the past it has been necessary during emergencies to temporarily broaden the powers of the Executive. This was done during the crisis of the Civil War, when the people, through the Congress, strengthened temporarily the arm of President Lincoln. Likewise was it done during the World War, when President Wilson was in the White House. In neither of these cases was this power abused by the Executive, and in both cases it was properly given back to the people immediately after the termination of these emergencies. In pursuance of this theory, the people of the country have required of the Congress that it temporarily strengthen the arm of President Roosevelt, in order that he may be in position to lead us out of this emergency as did Presidents Lincoln and Wilson. The fight has been a hard one and the end has not yet been attained; but through the continuance of a policy of aggressiveness, wisdom, and justice, supported by the thinking people of the country, and with the help of Providence, we will restore this country to its rightful place in the world.

#### RETIREMENT SYSTEM FOR RAILROAD EMPLOYEES

Mr. CROSSER of Ohio. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, which I send to the Clerk's desk.

The Clerk read the bill, as follows:

*Be it enacted, etc.—*

#### DEFINITIONS

(a) The term "carrier" includes any express company, sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act, and any company which is directly or indirectly owned or controlled by or under common control with any carrier by railroad and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation of passengers or property or the receipt, delivery, elevation, transfer in transit, refrigeration or icing storage, and handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the business of any such "carrier": *Provided, however,* That the term "carrier" shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed, upon request of the Board or upon complaint of any party interested, to determine after hearing whether any line operated by electric power falls within the terms of this proviso.

(b) The term "employee" means each person in the service of a carrier, subject to its continuing authority to supervise and direct the manner of rendition of his service, who has been in such service within 1 year before the enactment hereof, or who after the enactment hereof shall have been in such service. The term "employee" also includes each officer or other official representative of an "employee organization", herein called "representative", who has performed service for a carrier, who is duly designated and authorized to represent employees under and in accordance with the Railway Labor Act, and who, during or following employment by a carrier, is engaged in such representative service in behalf of such employees.

(c) The term "Board" means the Railroad Retirement Board hereby created.

(d) The term "annuity" means regular payments at the end of each completed month during retirement, ceasing at death or at resumption of compensated service.

(e) The term "service" means the employment relation between an employee and a carrier whether before or after the enactment hereof.

(f) The term "service period" means the total service of an employee for one or more carriers whether or not continuously performed, and includes as 1 month every calendar month during which the employee has been paid compensation by a carrier and includes as 1 year every 12 such months. An ultimate fraction of 6 months or more shall be computed as 1 year.

(g) The term "retirement" means the status of cessation of compensated service with the right to receive an annuity.

(h) The term "age" means age at the latest attained birthday.

(i) The term "carrier contribution" means the payment to be made by each carrier.

(j) The term "employee contribution" means the payment to be made by each employee.

(k) The term "voluntary contribution" means the payment made by an employee equal to the total of both the employee and the carrier contribution.

(l) The term "effective date" means the 1st day of the second month after the taking effect of this act.

(m) The term "Railroad Retirement Act" means and may be used in citing this act and subsequent amendments thereto.

#### PURPOSES

SEC. 2. (a) For the purpose of providing adequately for the satisfactory retirement of aged employees and promoting efficiency and safety in interstate transportation, and to make possible greater employment opportunity and more rapid advancement of employees in the service of carriers, there is hereby established a railroad retirement system; and it is made the duty of all carriers and employees subject to this act to perform and fulfill the obligations imposed thereby. This act shall be administered and construed with the intent and to the purpose of providing the greatest practicable amount of relief from unemployment and the greatest possible use of resources available for said purpose and for the payment of annuities for the relief of superannuated employees.

#### SPECIAL REPORT

(b) Not later than 4 years from the effective date, the Board, in a special report to the President of the United States to be submitted to Congress, shall make specific recommendations for such changes in the retirement system hereby created as shall assure the adequacy and permanency of said retirement system on the basis of its experience and all information and experience then available. For this purpose the Board shall from time to time make such investigations and actuarial studies as shall provide the fullest information practicable for such report and recommendations.

#### ANNUITIES

SEC. 3. Each employee having attained the age of 65 years, or having completed a service period of 30 years, shall be paid an annuity, to begin on a date specified in a written application, which date shall not be more than 60 days before the making of the application. No annuity shall begin less than 6 months after the effective date. Such annuity shall be based upon the service period of the employee and shall be the sum of the amounts determined by multiplying the number of years of service, not exceeding 30 years, by the following percentages of the monthly compensation: 2 percent of the first \$50; 1½ percent of the second \$50; and 1 percent of the compensation in excess of \$100. The "monthly compensation" shall be the average of the monthly compensation paid to the employee by the carrier, except that for service before the effective date the monthly compensation shall be the average of the monthly compensation for all pay-roll periods for which the employee has received compensation from any carrier out of 8 consecutive calendar years of such services ending December 31, 1931. No part of any monthly compensation in excess of \$300 shall be recognized in determining any annuity or any employee contribution. No such annuity shall exceed \$100. The annuity shall be reduced by one-fifteenth of such annuity for each year the employee is less than 65 years of age at the time of the first annuity payment. No such reduction shall be made if the Board shall determine that the carrier has retired the employee because of physical or mental inability to continue in active service. Upon death of an employee before or after retirement an amount, equal at his death to a computation, with interest at 3 percent compounded annually, of the accumulation from his payments less any annuity payments received by him shall be paid as he may have designated or to his legal representative. Any employee who upon retirement shall be entitled to an annuity with a value determined by the Board of less than \$300 shall be paid such value in a lump sum.

#### RETIREMENT

SEC. 4. Retirement shall be compulsory upon employees who, on the effective date, have attained or thereafter shall attain the age of 65 years. The carrier and the employee may, by an agreement in writing filed with the Board, extend the time for retirement as to such employee for 1 year and for successive periods of 1 year each, but not beyond the age of 70 years. Until 5 years from the effective date, the compulsory retirement shall not apply to an employee who from and after the effective date occupies an official position in the service of a carrier.

#### CONTRIBUTIONS

SEC. 5. Each employee shall pay an employee contribution in a percentage upon his compensation. Each carrier shall pay a carrier contribution equal to twice the contributions of each employee of such carrier. The employee compensation shall be the compensation for service paid to such employees by the carrier excluding compensation in excess of \$400 per month. The contribution percentage shall be determined by the Board from time to time, and shall be such as to produce from the combined employee and carrier contributions, with a reasonable margin for contingencies, the amount necessary to pay the annuities, other disbursements, and the expenses becoming payable from time to time. Until the Board shall determine on a different percentage the employee contribution percentage shall be 2 percent. Employee contributions shall be deducted by the carrier from the compensation of its employees and shall be paid by the carrier, together with the carrier contributions, into the Treasury of the United States quarterly or at such other times as ordered by the Board.

#### PRESENT CARRIER PENSIONS

SEC. 6. Any person who is not entitled to an annuity under section 3 and who on the enactment hereof shall be receiving a pension or similar retirement pay from a carrier shall, from the



date of making application to the Board, be paid out of the railroad retirement fund an annuity equal to the maximum pension or retirement pay received by such person from such carrier at any time prior to the enactment hereof. No annuity authorized by this section shall be in excess of \$100.

#### EMPLOYEE REPRESENTATIVES

SEC. 7. Any representative of an employee organization who is included within the definition of "employee" in paragraph (b), section 1, of this act shall have the option, but shall not be required, to continue or to become a beneficiary under the provisions of this act. If he shall elect to continue or to become such a beneficiary he shall pay all voluntary contributions.

For the purposes of this section the requirements of section 4 of this act shall not apply. Service rendered to an employee organization shall be included in computing the total service period of such representative.

For such representative who shall elect to become a beneficiary under this act, the basic compensation upon which contributions shall be made and benefits calculated shall be that compensation paid by the carrier for service rendered in the position to which the rights of such representative would entitle him for the period defined in section 3 of this act: *Provided*, That if no definite and specific rights obtain, the average compensation paid to the four employees whose last date of entry in the service is nearest the date of entry in the service of the same carrier by such representative, shall be his basic compensation to be determined for the period defined in section 3 of this act. When a question arises as to the rights under this provision the Board shall investigate and determine rights of such representative.

For such representative who elects to continue as a beneficiary under the provisions of this act, his basic compensation shall be the average monthly compensation paid to him by the carrier during the last 12 months of active service with such carrier.

#### RETIREMENT FUND

SEC. 8. All moneys paid into the Treasury under the provisions of this act, all interest, and other receipts, and all refunds of moneys paid out under this act shall constitute and be kept in a separate fund in the Treasury to be known as the "railroad retirement fund." At the request and direction of the Board, the Treasurer of the United States, with the approval of the Secretary of the Treasury, is authorized to invest such funds as are not immediately required for disbursements in interest-bearing bonds, notes, or other obligations of the United States, and to collect the principal and interest of such securities and to sell and dispose of the same as in the judgment of the Board shall be in the interest of said fund. There is hereby appropriated such sums not in excess of the amounts in said fund as may be necessary to pay all annuities, other disbursements, and the expenses of administration of this act.

#### RETIREMENT BOARD

SEC. 9. (a) Personnel: There is hereby established as an independent agency in the executive branch of the Government a Railroad Retirement Board, to be composed of three members appointed by the President, by and with the advice and consent of the Senate. Each member shall hold office for a term of 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of the term; and the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President, one at the end of 2 years, one at the end of 3 years, and one at the end of 4 years, after the date of enactment of this act. One member shall be appointed from recommendations made by representatives of the employees and one member shall be appointed from recommendations made by representatives of the carriers, in both cases as the President shall direct, so as to provide representation on the Board satisfactory to the largest number, respectively, of employees and carriers concerned. One member, who shall be the chairman of the Board, shall be appointed initially for a term of 2 years without recommendation by either carriers or employees, and shall not be in the employment of or be pecuniarily or otherwise interested in any carrier or organization of employees. Vacancies in the Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board, of whom a majority of those in office shall constitute a quorum for the transaction of business. Each of said members shall receive a salary of \$10,000 per year, together with necessary traveling expenses and subsistence expenses, or per diem allowance in lieu thereof, while away from the principal office of the Board on duties required by this act. The members and employees of the Board shall be included as employees under this act and, together with employees receiving annuities, shall be furnished free transportation in the same manner as such transportation is furnished to employees.

(b) Duties: The Board shall have and exercise all the duties and powers necessary to administer this act. The Board shall receive and take such steps and institute and prosecute such proceedings and actions as may be necessary to enforce the payments and obligations required under the act, make and certify awards and payments, and account for all moneys and funds necessary thereto. The Board may require such advances upon the payments of carriers as necessary to put this act into operation. The Board shall establish and promulgate rules and regulations and provide for the adjustment of all controversial matters, with power as a Board or through any member or subordinate designated therefor, to require and compel the attendance of witnesses, ad-

minister oaths, take testimony, and make all necessary investigations in any matter involving annuities or other payments, and shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities, and employ such persons and provide for their compensation and expenses, as may be necessary to the proper discharge of its functions. All rules, regulations, or decisions of the Board shall require the approval of at least two members and shall be entered upon the records of the Board and shall be a public record. The Board shall gather, keep, compile, and publish in convenient form such records and data as may be necessary, and at intervals of not more than 2 years shall cause to be made actuarial surveys and analyses, to determine from time to time the payments to be required to provide for all annuities, other disbursement and expenses, and to assure proper administration and the adequacy and permanency of the retirement system hereby established. The Board shall have power to require all carriers and employees and any officer, board, commission, or other agency of the United States to furnish such information and records as shall be necessary for the administration of this act. The Board shall make an annual report to the President of the United States to be submitted to Congress. Witnesses summoned before the Board shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

#### COURT JURISDICTION

SEC. 10. The several district courts of the United States and the Supreme Court of the District of Columbia shall have jurisdiction to entertain an application and to grant appropriate relief in the following cases which may arise under the provisions of this act:

(a) An application by the Board to compel an employee or other person residing within the jurisdiction of said court, or a carrier subject to service of process within said jurisdiction, to comply with any obligations imposed on said employee, other person, or carrier under the provisions of this act.

(b) An application by an employee or carrier to the Supreme Court of the District of Columbia or to the district court of any district wherein the Board maintains an office or has designated an agent authorized to accept service in its behalf, to compel the Board to set aside an action or decision claimed to be in violation of a legally enforceable right of the applicant, or to take an action, or to make a decision necessary for the enforcement of a legal right of the applicant, when the applicant shall establish his right to a judicial review upon the jurisdictional ground that, unless he is granted a judicial review of the action or decision, or failure of the Board to act or to decide, of which he complains, he will be deprived of a constitutional right to obtain a judicial determination of his alleged right.

(c) The jurisdiction herein specifically conferred upon the said Federal courts shall not be held exclusive of any jurisdiction otherwise possessed by said courts to entertain actions at law or suits in equity in aid of the enforcement of rights or obligations arising under the provisions of this act.

#### EXEMPTION

SEC. 11. No annuity or death payment shall be assignable or be subject to any tax or to garnishment, attachment, or other legal process under any circumstances whatsoever.

#### PENALTY—CARRIER

SEC. 12. On the failure of any carrier to make any payment when due under the provisions of this act, such carrier, unless excused by order of the Board, shall pay an additional 1 percent of the amount of such payment for each month such payment is delayed.

#### OTHERS

SEC. 13. Any employee, other person, officer, or agent of a carrier subject to this act who shall willfully fail or refuse to make any report or furnish any information required by the Board in the administration of this act or who shall willfully fail or refuse to make any accounting required under this act, or who shall knowingly make any false or fraudulent statement or report required for the purpose of this act, or who shall knowingly make or aid in making any false or fraudulent statement or claim for the purpose of receiving any award or payment under this act shall be punished by a fine of not less than \$100 nor more than \$10,000 or by imprisonment not exceeding 1 year.

#### SEPARABILITY

SEC. 14. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act or application of such provision to other persons or circumstances shall not be affected thereby.

During the reading of the bill the following occurred:

Mr. CROSSER of Ohio. Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be printed in the RECORD.

Mr. BLANTON. Mr. Speaker, I insist that the bill be read for information, so that all Members will understand it, because we will have only 20 minutes of debate to the side.

Mr. MERRITT. Mr. Speaker, I shall demand a second.

Mr. MAPES. Mr. Speaker, I wonder if we could not arrange for, perhaps, a little extension of time for debate and at the same time dispense with the further reading of the bill.

The SPEAKER. That cannot be done.

Mr. BLANTON. Mr. Speaker, we should be advised as to who is going to be recognized to demand a second.

The SPEAKER. The Chair will recognize someone who is against the bill and is going to vote against it.

Mr. SNELL. The gentleman from Connecticut [Mr. MERRITT] is opposed to the bill and is going to demand a second.

Mr. BLANTON. I shall yield to the gentleman from Connecticut [Mr. MERRITT], who is a member of the committee.

Mr. SNELL. Would not the gentleman be willing to dispense with further reading of the bill if we could get additional time for discussion?

Mr. BLANTON. If we can get additional time so we can have a fair opportunity to properly discuss this measure, and the gentleman will yield me some time, I shall not object.

The SPEAKER. The Chair wishes to state that there will be no additional time for debate, because the Chair would object to that. The Clerk will continue the reading of the bill.

The Clerk concluded the reading of the bill.

The SPEAKER. Is a second demanded?

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

The SPEAKER. Is the gentleman a member of the committee?

Mr. MERRITT. Yes.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MERRITT. I am.

The SPEAKER. Will the gentleman vote against the bill?

Mr. MERRITT. I will.

The SPEAKER. The gentleman from Connecticut is recognized to demand a second.

Mr. CROSSER of Ohio. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

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

There was no objection.

Mr. COOPER of Ohio. Mr. Speaker, may I submit an inquiry to the gentleman from Ohio [Mr. CROSSER]? I am wondering if we could extend the time a little beyond the 40 minutes.

The SPEAKER. The Chair will answer that question. In connection with all these motions to suspend the rules which are to come up between now and the close of the session, no permission will be granted to extend the time. The time will be 20 minutes on the side. The Chair is a Member of the House and will object to any extensions. This will stop further conversations on the subject.

Mr. CROSSER of Ohio. Mr. Speaker, as time goes on the leaders in the movement for better living conditions for mankind in general are more and more insisting upon the establishment of systems providing for the retirement of employees who have served in industry to a reasonably advanced age.

The assurance of a regular income upon retirement is something that the great majority of people engaged in any particular line of work during a lifetime have earnestly desired. During their glorious youthful prime men do not concern themselves so much about the matter of security in the closing days of their lives, but as the years roll on and the time nears when they know that their services will no longer be desired, they then begin to think of some plan which would give them security in their declining years.

The railway men of the country have for some years been carrying on a campaign for a retirement system, a system which would at least assure all men who had spent their lives in railroad work of one kind or another at least the reasonable comforts of life as the shadows come on and the end nears.

We have before us today in the bill now before the House the first definite proposal for legislation providing for the retirement of men who have spent their lives in the railway industry. This bill provides that when men shall have reached the age of 65 years and shall have served 30 years as railway employees they shall be entitled to retire and receive an annuity. Everyone who is now employed by a railroad or has worked for a railroad since June 16, 1933, is included within the retirement plan. If the employee

should desire to retire before he is 65 years of age, his retirement pay will be one-fifteenth less for each year that he is younger than 65. The amount of the employee's retirement pay is calculated as follows: Multiply the first \$50 of the average monthly pay received after the passage of this act by 2 percent, the next \$100 of the average monthly pay by 1½ percent, and all above \$150 and less than \$300 by 1 percent. Add the three figures procured by this process and multiply the sum by the person's total years of service.

The fund for the payment of retirement pay is to be procured by having all of the employees in the railroad service pay 2 percent of their earnings in active service into the retirement fund and by having the railroads pay into the retirement fund double the amount paid by the employees.

This explains briefly the principal provisions of the bill.

Those who have been urging legislation of this character have stressed the fact that the giving of assurance of a modest income during the late years of men's lives will cause them to retire from the service in much larger numbers than has been the case heretofore. This bill will, in fact, compel them to retire from service at the age of 65 years unless a mutual agreement between the company and the man extends the time to not more than 70 years of age. Because of the certainty of the retirement of a large number of older men, opportunities for employment will be given to younger men who have been furloughed and have been out of employment for a long while. It is also argued that the assurance of a modest income upon retirement in their old age will result in men making their work in the railroad field a career and thus insuring generally the continued service of seasoned and trained men in this important industry.

Students of the transportation problem have called attention to the fact that many men are continued in service in strictly transportation work far beyond the age where it is safe to have them do so. They have so continued, however, because if they were to leave it would be impossible for them to find any lucrative employment in other fields.

The terms of this bill are very moderate, but at the same time they establish a retirement system on a legal basis in private industry for the first time in the history of the country. In its present form it will give assurance of reasonable comfort in their old age to all persons coming within the provisions of the bill.

Personally I am one of those who believes that the day will come when we shall have complete economic and industrial justice, so that men will need no longer worry about finding employment and that we shall have real justice in the distribution of wealth so as to make it possible for men to provide for themselves comforts for their old age. Until such conditions shall have been established, however, the more easily understood pension or retirement system will provide the necessary comforts during old age for those who shall have given their lives to toil in any industry. It will, in fact, relieve them from want and the fear of want and help to nullify to some extent at least the force of the two lines of the poem entitled "Man Was Made to Mourn", in which Burns said:

Then age and want, oh, ill-matched pair!  
Show man was made to mourn.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. CROSSER of Ohio. For a very brief question.

Mr. SNELL. How does this general retirement pay compare with the pay of the civil-service employees of the Government?

Mr. CROSSER of Ohio. As the House bill stands, it is somewhat the same.

Mr. SNELL. How do the contributions compare?

Mr. CROSSER of Ohio. I do not recall the exact figures as to the contributions by Federal civil-service employees.

Mr. SNELL. The Federal schedule is something like 3½ percent.

Mr. LEA of California. The Federal employees contribute 3½ percent and the railroad employees 2 percent.

Mr. SNELL. Why should not they contribute the same, practically, if other things are equal?

Mr. LEA of California. I shall attempt to explain that when I address the House. The substance of it is that we have such a large percentage of old employees who are rapidly approaching the annuity age that the employer rather than the employees must carry a larger percent than the proportions established by the Government, but this bill provides for a reapportionment of the contributions in the future by an adjustment made by the Board.

Mr. SNELL. What percentage of the railroads at the present time have a system somewhat similar to this?

Mr. LEA of California. About 90 percent of the employees of the railroads have such a system.

Mr. SNELL. About 90 percent?

Mr. CROSSER of Ohio. Ninety percent of the mileage of the first-class railroads.

Mr. LEA of California. Or about 50 railroads.

Mr. SNELL. How does the cost of this compare with what they are paying now?

Mr. LEA of California. They are paying now \$33,500,000, and the entire cost under this bill will be \$60,000,000.

Mr. CROSSER of Ohio. I cannot yield any further.

Mr. SNELL. I am trying to get information, and the gentleman ought to be willing to yield for that.

Mr. WITHROW. It seems to me there is a discrepancy between what the gentleman says and what the bill provides—2½ percent.

Mr. CROSSER of Ohio. That provision was amended in committee. Now, I would like to yield for all questions, but we have not the time. Nobody is entitled to retirement under the age of 51 years.

Mr. PETTENGILL. Will the gentleman yield?

Mr. CROSSER of Ohio. I yield.

Mr. PETTENGILL. Is not this the first step taken by Congress in social insurance asked for by the President?

Mr. CROSSER of Ohio. It is what might be called the "trail blazer" in social insurance. It seems to me that it is highly desirable that we pass this at this time. [Applause.]

Now, Mr. Speaker, I yield to the gentleman from California [Mr. LEA].

Mr. LEA of California. Mr. Speaker, there are 500 corporations in the United States that have established industrial systems for their employees, and about 50 of them are railroads. Companies that have had experience with the retirement of their employees have demonstrated that if the plan is properly safeguarded and soundly administered it is generally in the interest of the employer and employee. A report of the Chamber of Commerce of the United States in 1932 gave its endorsement to that principle. I state that simply to show that modern business judgment is turning in favor of the retirement system for industry.

The vital question is whether or not such a system can be adjusted to the costs that are reasonably required to meet it. The railroads of the country have their own particular economic problems confronting them. They have reduced employment to 1,215,000 employees from the peak of about 2,000,000.

The seniority rule prevails in railroad employment, so that the older men have stayed in the service and the younger men have been discharged. The result is that today the average employee of the railroads of the United States is 52 years old. That means that within 13 years a large percentage of these men will have passed the age of 65 when they will be retired. They will then become beneficiaries of this legislation without having contributed except for the remaining years of their employment.

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

Mr. LEA of California. I cannot yield, as I do not have the time.

The fundamental difficulty that we face in this legislation is the large percentage of the old men who are going to contribute so little in the early years to the success of this effort.

The expense of carrying the earlier retirements must necessarily fall primarily on the employees and the carriers. On account of this accumulating and disproportionate number of aged employees who will advance for retirement it is

estimated that the maximum expense will increase for the next 25 years. As the committee faced this situation we reached the conclusion that it is better to err on the side of conservatism in view of the accumulating charges that are going to accrue in the future years. This plan proposed to reduce the amounts allowed under the Senate bill is for the purpose of assuring the success of this plan in the end. We propose no reduction whatever in the contributions initially required from the employees and the railroads. In other words, the amounts required to be contributed by employees and the carriers are practically the same under each of these bills. The House bill proposes smaller payments in order that a reserve may be built up to protect against the excessive deficiencies that are sure to accumulate under the Senate bill some years later.

The only reductions made by the committee are in the amounts to be paid in the initial years. Under this legislation from time to time, as the facts may demonstrate the necessity, the board charged with the administration of this act has power to adjust contributions to meet the liabilities incurred in providing the annuities the bill established.

The administration of this act is going to cost about \$5,000,000 a year. That large expense is due to the fact that a separate account must be carried for every railroad employee in the United States.

The employee is going to contribute 2 percent to begin with and the carrier 4 percent. I am thoroughly convinced that no successful plan of railroad retirement can be made possible without at least this much contribution from the very beginning. The annuities are to accrue first in favor of those who are retired at 65 years of age or over. The period of retirement may be extended by agreement between the employee and the employer for 5 years additional.

The annuity will also accrue in favor of those who have served 30 years, but in case the employee collects his annuity in advance of the 65-year period, there will be a reduction of 4 percent or one-fifteenth of his total annuity for each year prior to the 65 years for retirement.

There is a section which permits the board to bring in old employees who are now on the pension system of the railroads. In case of the death of an employee before he has recovered the full amount he has paid in, the balance goes to his heirs, with 3 percent from the time of the original payment.

This bill as presented by the House committee places a limit upon the annuity of \$100 per month. This conforms to the Federal Government retirement system. Under the system in vogue for the Government employees \$100 per month is the limit for annuity. With this large number of old men rapidly approaching the retirement age, we thought it would be improvident to place the maximum annuity greater than it is in the civil service of the Government.

One important feature of the bill is that the annuities are definitely fixed by law, not subject to change by the board, but the contributions to meet those annuities are, from time to time, subject to administration and adjustment by the board. Confessedly the system here proposed is a temporary one. It is to initiate what is hoped to be a permanent adequate system of retirement.

Under the plan proposed by the House bill a sizable reserve will be built up in the early years to protect against the situation that will develop a few years later. If rates should be fixed higher than the House bill calls for it would be only a few short years when the system would become insolvent, or the increased contributions required of the men and the railroad companies would become unduly burdensome and destructive to the system of retirement.

It is estimated that under this plan \$60,400,000 will be required to meet the annuities of the first year, \$68,400,000 for the second year, \$76,800,000 for the third year, and \$90,300,000 for the fourth year.

If the basic rate of annuities was placed on a flat figure of 2 percent of the monthly compensation, multiplied by the number of years of the employee not exceeding 30, the estimated amounts required for the first 4 years would be as follows: \$75,500,000, \$85,500,000, \$96,000,000, and \$112,900,000.

The contemplated contribution for these years, based on present employment, would be about \$90,000,000 each, \$60,000,000 by the carriers and \$30,000,000 by the employees.

The projection of a comparable increase into the future years demonstrates the necessity of placing the initial annuities at conservative amounts.

In the consideration of the financial phases of this legislation I have had the advantage of consulting with Mr. Bayer and Mr. Latimer, who have been working under the Coordinator, Mr. Eastman, in making a study of this problem preparatory to the final report of the Coordinator, which it is expected will be made some months later.

Every reason or prudence suggests that the initial annuities be made conservative with a view of building up security against the future years instead of overpayment that will prematurely exhaust any reserve prior to the establishment of the more permanent system contemplated by this legislation.

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

Mr. MERRITT. Mr. Speaker, I yield myself 10 minutes. I propose in connection with this bill to discuss a point which, in much of the legislation that has gone through this House, has been overlooked. The point I submit, however, is of much importance, and it is this: Where is the money coming from to meet the expense which will be caused by this bill? I hope the House, when it comes to vote on this bill, will have that in mind, because the money called for by this bill or any other bill does not come out of the clouds. In this case the reply will be made that under the bill the Government is not asked to supply any money at all, that it comes out of the railroads. How are the railroads going to raise the money? As a matter of fact, in the year 1933 the class I railroads, who are principally interested in this bill, had a deficit of about \$13,000,000. The cost to the railroads of this bill the first year will be some \$60,000,000, and the expense of administration will be about \$10,000,000. That makes \$70,000,000 that these railroads, which already have a deficit, will have to raise, and the question is how they are going to do it.

Naturally, if they do it at all, they will have to do it by borrowing. The only way they can borrow it is from the United States. Now, what has happened and is happening under bills of this sort is that we are drawing on the reserves of this country. There is no true balancing the Budget by making loans. We must have, for a true balance of the Budget, current receipts. You might say that these railroads would be allowed to increase their rates, but they cannot do that. The Interstate Commerce Commission has ruled that they cannot. If they do, they will simply lose business to the trucks and busses.

I am not criticizing the general principles of insurance at all, but in private life we all come up against situations where there is something which we should like to have or to do, and which would be very nice in itself, but which we cannot afford. That is exactly the position of the railroads in this case. When you borrow money and dissipate the reserves of this country, where does it come from? You are taking it out of savings banks which have charge of the small funds which thrifty people have saved; you are taking it out of insurance companies, out of colleges, and out of hospitals and other institutions necessary for civilized life.

Bear in mind that a great proportion of these employees are already taken care of by the railroads in a way which, while not wholly satisfactory, does take care of them in their old age.

Like other bills that have come before this House, this has not had adequate consideration. There has not been adequate consideration in the committee, and the idea of bringing before the House in 40 minutes' time the points that should be considered in voting is perfectly absurd. It is a matter that should receive careful investigation, which it has never had.

I will read to you from what Mr. Eastman, Railroad Coordinator, said in his testimony before the Senate. He speaks about having data which is not fully completed:

It would appear definitely unwise to proceed with the formulation of a pension retirement system before these analyses are completed. In view of the fact that a plan cannot be scientifically formulated, it is equally impossible to offer adequate criticism of any proposal for pension legislation.

Then further he says just as I say:

It should be emphasized that the criticisms here advanced do not imply opposition to pension legislation in general.

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

Mr. MERRITT. I yield for a question.

Mr. DOWELL. The gentleman has stated that there has not been given an opportunity to investigate the matter. Has this not been before the gentleman's committee for a number of years?

Mr. MERRITT. Oh, in general; but no detailed information at all.

Mr. DOWELL. But the general proposition has been before you for some time?

Mr. MERRITT. A long time; yes.

Mr. DOWELL. With an opportunity to make investigation?

Mr. MERRITT. That is right.

Mr. Eastman continues his criticism in this way:

No particular attention seems to have been devoted to administrative costs. Service on all the railroads is to be used to fix benefits.

That is to say, under this bill all the men on all the roads are treated alike. You must have accounts with every individual so that his time on one road will be counted, and if he goes to another road that will be counted, and it will involve more than a million separate accounts.

Mr. RICH. Will the gentleman yield?

Mr. MERRITT. I yield.

Mr. RICH. Would the gentleman not consider this class legislation? Should we not make an old-age pension for all industries rather than single out the railroads at a time like this?

Mr. MERRITT. Yes. I do not think it is the time to do it at all.

Now, Mr. Eastman says further:

It seems likely that the bill would tend to defeat its own purposes so far as unemployment is concerned. It has been the usual experience that the work done by a group of employees just before retirement can be performed by a smaller number of younger men. I cannot avoid the conclusion that the information now at hand does not permit of wise and well-considered legislation on the subject of pensions. We are, however, obtaining the necessary basic facts, so far as they are available, and shall prosecute our study on this matter with all possible expedition.

Now, I submit that, under those circumstances, when the railroads, already running a deficit, both in the interest of the railroads and the public, to make them contribute sixty or seventy million dollars for a new project, nothing very bad can happen if we wait until the next session of Congress, which will be within a few months, so that further information can be gotten together and we can give this matter proper and adequate consideration. I think action on this bill is extremely unwise at this time.

Mr. MONAGHAN of Montana. Will the gentleman yield?

Mr. MERRITT. I yield.

Mr. MONAGHAN of Montana. The gentleman says we should wait until the next session of Congress. We have been waiting for years for this type of legislation, and the President of the United States has said that in the next session of Congress he wants a universal system for all industries. This law will establish a prototype upon which we can predicate that proposal.

Mr. MERRITT. I appreciate the President's ambition, and I approve of it, but I do not appreciate the tendency of the administration to go ahead regardless of cost and regardless of the Budget.

Mr. MAY. Will the gentleman yield?

Mr. MERRITT. I yield.

Mr. MAY. As I understand this measure it is merely temporary, as rather a test for determining whether or not it will finance itself by contributions from the railroads and

from the employees, and that it provides a 2-percent deduction from the employees?

Mr. MERRITT. That does not answer the question I have put, How are you going to finance the railroads?

Mr. MAY. But the question I am asking is this: If the contribution by the employees will amount to \$30,000,000 a year and the railway companies contribute \$60,000,000 a year, that will create a fund of \$90,000,000.

I think the gentleman's statement was that the total cost for a year would be only \$60,000,000. So there would be a surplus to the extent of the amount contributed by the employees. I do not think it would take the contribution of both on this basis to equal the cost.

Mr. MERRITT. Sixty million dollars would be only the railroads' share of the cost.

Mr. CROSSER of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Speaker, it is gratifying to be a member of the first committee of this House to report an old-age pension bill affecting those outside the service of the Government. We are in the first stages of the new era of social justice. It has been given to the Interstate and Foreign Commerce to pave the way for the establishment of an old-age pension system for the aged in every walk of life. This bill is the initial move toward the end. It pleases me particularly because there are upward of 10,000 railroad men in my district who have devoted to the railroads of the country long years of service—17, 25, and even 45 years. They have made railroading their life work. Our railroad systems cannot be valued without estimating the many natural lives devoted to the upbuilding and efficient operation and maintenance of the railroad business. This humane bill, without charge upon the Government, will provide an old age of security for all railroad men without exception who spend their best years in the service rendered by the railroads. The men will contribute to the retirement fund, but the railroads will add a greater contribution, as they should, for it may properly be regarded as an operating cost. Some of the railroads now offer a pension as a reward for long and faithful service. Under this bill, all railroads will do so. I hope we may soon reach the goal where we shall have old-age pensions for all of the aged of the Nation.

[Here the gavel fell.]

Mr. MERRITT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, I regret exceedingly that there is not sufficient time under the rules of the House now in effect to permit me to make as complete a discussion of this measure as I should like, I am confident that the more consideration it receives the more favorable will be the opinion toward it.

The principle of this bill, which is to provide a pension or retirement fund for the benefit of employees engaged in the operation of railroads and express, sleeping-car, ferry, and boat facilities in connection therewith, is one that has been recognized for years by railroad companies operating 90 percent of the railroad mileage of the country, and, on which systems it is now in effect. This recognition of the importance of this principle by the railroads as a voluntary proposition, seems to me should be emphasized, because when the argument is made that adequate consideration is not being given to the subject we must realize that this subject has had the consideration and favorable opinion of railroad and allied companies and their employees for many years. So to enact this bill is merely to put into effect that which the railroad corporations have already recognized as a proper principle of employment.

It is significant that pension or retirement annuities now effective on 90 percent of the railroad mileage of this country was voluntarily adopted by railroad management, without coercion upon the part of employees, and without legislative requirement. It was a principle of employment adopted by such companies for the purpose of building up a helpful and friendly morale upon the part of the employees toward the company.

The knowledge upon the part of the men that when their years of active usefulness to the company would cease, and, their earning capacity likewise cease, that then the company, instead of casting them heartlessly into the discard, would provide for them a competency in their old age, brought contentment of mind, a satisfied attitude toward the management, and, consequently a higher and better standard of service. The result has been that the railroad industry has shown a longer average of continuous service per man than any other industry. Continuity of service, with attendant experience, develops efficiency and promotes the safety and security of the traveling public. This principle of employment has and will continue to have a tendency to attract to railroad and its connected services a high standard of employee.

The beneficial results already attained by the voluntary adoption of this principle by some transportation companies justifies the enactment of this legislation making it a part of the declared policy to be observed in the future by the entire railroad transportation industry.

Furthermore, I am inclined to believe that this legislation will set a precedent for similar action in all industries, whereby every industry on a plan of joint contribution by the employees and employers, as provided for in this bill, will remove the specter of want in old age.

The railroad industry, by cooperation between management and men, has arisen to be the most outstanding of all industries in the recognition of humanitarian and welfare measures beneficial to the employee. The railroad has been the pioneer in the now rapidly progressing movement for industrial old-age pensions. I trust that this legislation now before the House will receive favorable action as a recognition of the justice and humanitarianism of such a principle of employment. [Applause.]

Mr. MERRITT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Speaker, I believe this measure furnishes a sound method for the accomplishment of a worthy purpose.

No industrious and faithful worker in the transportation industry, or any other industry in America, should be compelled to close his life as a pauper or be dependent on others for his daily bread in old age.

The fear of poverty in old age has ridden the backs of American workers all their lives. It is time to remove that fear, and this bill undertakes to do it for a million railroad workers.

We have already taken steps to banish unjust poverty in old age for Federal employees. Through the Retirement Act of 1920, some measure of security in old age has been assured for many thousands of worthy governmental workers, who without it would have been condemned to miserable dependency in their years of helplessness and old age.

It is true that many of the railroad companies have inaugurated their own pension system. While they are to be commended for this action, there will always be cause for dissatisfaction in such a system. I have been in touch with a number of cases where the employees honestly believe they had fulfilled every condition and yet were not granted the pension. Under any system entirely controlled by the employers the danger of arbitrary and unjust discrimination is present.

Vastly better is this Government-sponsored plan, where the contributions of both workers and companies will form a joint fund with pensions granted on clearly understood rules.

Under this measure the contributions of employees and companies will create a fund of \$45,000,000 during the first 6 months. At the end of this period the payment of pensions begins. There will be a monthly income of \$7,500,000 thereafter. This will mean an adequate fund for the pension payments, which are estimated to be \$50,000,000 for the first year.

With retirement of those who have reached the age of 65, work opportunities will be afforded workers who are now unemployed.

Mr. Speaker, the road to social and industrial justice is a long and rugged one. Yet little by little humanity climbs. This bill is a step along the way, and it seems that progress can only be made in that fashion. I remember when the Clayton Act was enacted in 1914 Samuel Gompers, president of the American Federation of Labor, declared it to be "the most comprehensive and most fundamental legislation in behalf of human liberties that has been enacted anywhere in the world." In the light of history it is clearly seen that the Clayton law was only a short step along the pathway to better conditions for those who toil.

This railroad workers' retirement measure and the amendment to the Railway Labor Act, which is to follow it, are advances toward the goal set by the founders of the Nation. They will help give Americans a chance for life, liberty, and happiness.

When all workers are freed from the fear of poverty in old age and when all have the right to act in cooperation with their fellow workers for the common welfare, we shall be nearer the fulfillment of the promise embodied in the establishment of this Republic. [Applause.]

Mr. MERRITT. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Speaker, I am supporting this legislation, but I hope that when this bill is passed, as it will be, and when it goes to conference that our conferees will agree to the bill which was passed in the Senate yesterday afternoon by a vote of 65 to 0. [Applause.] It is unfortunate that we do not have more time to go into this so as to compare the two measures.

The main difference between the House and Senate bills is in the amount of the annuities that are paid to retired employees. Under the provisions of the House amendment 2 percent of the first \$50 of basic pay, 1½ percent of the second \$50 of basic pay, and 1 percent of the basic pay over \$100 is the rate of the annuity. This substitute plan is not as liberal to the employees as is the Senate measure.

There have been no actuary studies made on the House substitute plan, and in the committee report there is no estimate as to the amount of money that will be paid to the employees under this substitute plan.

On the other hand, under the Senate plan we know definitely that approximately \$50,000,000 will be paid annually in pensions to retired employees. We do not know what the House substitute plan will return to employees, the figures have not been embodied in the report, and so far in the explanation of the bill this morning no one has given us any definite information on the substitute.

The substitute requires both the employee and employer to pay in the same amount as is required in the Senate bill, but under the House substitute the return to the employee will not be as great.

I therefore again wish to urge that the final action of this House be taken on the more liberal railway employees' pension bill which has already been passed by the Senate. [Applause.]

Mr. MERRITT. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, I believe we have all got to agree that the time has come when the physical element as well as the property element must be considered in our industrial life. [Applause.] To me one of the darkest tragedies today is to see the faithful employee who has given a lifetime of service to industry, and when the sunset of life is fast casting its shadow over his brow, on account of age he is physically incapacitated to carry on his daily vocation, to see him thrown out onto the scrap heap with no means of livelihood.

I believe this bill is the first step along the line of fair retirement compensation for the employees of the country. [Here the gavel fell.]

Mr. MERRITT. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, during all of its history, from the signing of the Declaration of Independence to

this present hour, this Government has granted pensions only to two classes of citizens, first, to its veterans of wars, and second, to its civil service employees.

This bill proposes to pick out a third class of citizens, to wit: employees of railroads, and by Government statute grant pensions to them, with the Government made responsible for payment.

Just the other day the President of the United States advised us that in the next session of Congress, he would be ready to consider the subject of old-age pensions. Inferentially, he let us know that he wanted the subject put off until the next Congress.

If I am so fortunate as to be here in the next Congress, I stand ready, and willing, and anxious, to then take up this subject, and devise ways and means for granting an old-age pension to all American citizens alike, with equal rights to all, and special privileges to none.

I am just as anxious as any other Member of this House, to provide old-age retirement and pensions for railroad employees, but I believe that this Government owes to them no duty that it does not owe to every other loyal citizen in the United States. And I firmly believe that this Government owes to every other loyal citizen the same duty it owes to railroad employees.

We must not fool ourselves about this bill. Just as sure as you and I live, this bill is making the Government responsible for these pensions, and eventually it is going to cost this Government a tremendous sum of money.

The Senate has one bill with its provisions. The House has another bill, with some provisions dissimilar from those of the Senate bill. But when the measure goes to conference, all Senate provisions and all House provisions will be in conference, and the entire Senate bill could be adopted by the conferees. And it provides that there is appropriated money sufficient to carry out the purposes of the bill.

It provides for the payment of salaries to the five board members of \$10,000 a year and all traveling expenses and subsistence, with no other limitation, and lets them hire as many employees as they please, and fix their salaries. Why should they be paid salaries of \$10,000? That is more than you and I get. Are your constituents in favor of paying these large salaries? Mine are not. Why not cut these salaries to a reasonable sum?

The passage of this bill will eventually result in the United States Government taking over every railroad; and finally this act alone will cost the people of the United States some \$40,000,000 to \$60,000,000.

Not only the working employees of the railroads are given this proposed pension, but the swivel-chair fellows who sit up in the offices and draw good salaries are likewise placed within the provisions of this bill.

Some of the best friends I have ever had in life were railroad employees. I want to see them cared for in their old age. But at the same time I want every other loyal citizen in the United States likewise cared for in their old age. I want all of them treated alike. I want them all to have equal rights. I do not want to give special privileges to one class of deserving citizens, and then tax all other classes just as deserving to pay for it, when such other classes are not enjoying the same pensionable status, and, in fact, have no pensionable privileges when they become aged and decrepit.

Mr. CROSSER of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. KELLER].

Mr. MERRITT. I also yield the gentleman from Illinois 1 minute.

Mr. KELLER. Mr. Speaker, nearly 3 years ago, in my first session in Congress, I introduced the original bill of which this present railroad pension bill is the outgrowth. That was the first bill for a Nation-wide industrial pension ever introduced into the American Congress. It was known as H.R. 9891. It has developed into a splendid bill which passed the Senate yesterday by a unanimous vote.

This was known as the rank-and-file pension bill formulated by the Railroad Pension Association, and introduced into the Senate at a later date by Senator HATFIELD. At a

still later date, Senator WAGNER and my colleague, Hon. ROBERT CROSSER of Ohio introduced a bill sponsored by the 21 railroad labor executives. Upon these two bills the Senate Interstate Commerce Committee held extensive hearings over a period of 3 weeks, with leading pension and insurance actuaries and attorneys representing the railroads, the rank-and-file railroad workers, and the railroad labor executives. These very full hearings were printed and widely distributed and read. At the end of this exhaustive hearing the committee requested the rewriting of the pension bills by counsel in view of the evidence brought out. Mr. Donald Richberg, representing the railroad labor executives, having become chief counsel for the N.R.A., was unable to participate in this work of rewriting the pension bills. That work devolved upon Mr. Herman Eckern, attorney for the rank-and-file.

After many weeks of work and conference with leading actuaries and economists on this subject, he brought out a greatly improved bill which I again introduced as H.R. 4231, March 27, 1933. At the special session of the Seventy-third Congress Senator HATFIELD introduced it in the Senate. At this special session the railroad labor executives had no pension bill, but near the opening of the present regular session the railroad labor executives introduced another bill, a rewriting of their original bill, which Senator WAGNER again introduced. The sentiment for a getting together on a joint bill to be agreed to by the rank and file and the labor executives had been growing from the start. Senator WAGNER and Senator HATFIELD set about this work and after another 2 weeks' hearing before the same able Senate subcommittee, after Coordinator Eastman had been fully heard, a final rewriting of the two pension bills into Senate bill no. 3231 was accomplished and introduced jointly by Senators HATFIELD and WAGNER. Thereupon my colleague, ROBERT CROSSER, and I introduced identical bills—H.R. 9596 and 9597—our rules not permitting joint bills.

Then the greatly overworked Interstate and Foreign Commerce Committee of this House held a 2-hour hearing on this epoch-making bill. Then the subcommittee made vital changes in sections 3 and 6 of the bills as originally introduced. There can be little, if any, justification for such radical changes in this bill that has had such long and thorough study as this bill has had by a committee which has given it only a few hours' consideration. It indicates a preconceived idea on the part of the subcommittee which fails entirely to take cognizance of the evidence brought out at the very exhaustive hearings and throughout the long weeks of labor by the best experts in America on this subject.

I ought here to point out that the writing, perfecting, and passing of this bill are by no means the work of any one man or any one group. The wisdom of Members in conference is fully borne out in the final passage of this bill into a law. The Railroad Pension Association, made up of the rank-and-file railroad workers, half a million of them all over America, certainly, by their pluck and enthusiasm, compelled consideration of the whole matter. No one would deny them that honor. Then, finally, the railroad labor executives came clean for the law, and as a result the most amicable relations now exist between the men and their chiefs. No less than a hundred Congressmen have been enthusiastic workers for this great idea; but for all that, without the presence, enthusiasm, loyalty, determination, and endless labor of Hon. ROBERT CROSSER, on the committee and subcommittee having this bill in charge, I cannot but doubt there might have been a much less happy ending than that now in sight.

I am going to suggest to our conferees when they go into conference that they do exactly what the gentleman from Wisconsin just now pointed out; that is, that they substitute specifically and directly for the provisions of our House bill now under consideration sections 3 and 6 of the Senate bill, because those are the sections that the people of this country who are interested and who know the facts really stand for.

This part of the House bill ought to be rejected, and if the rule permitted I would here and now offer an amendment to that effect.

There are other provisions that ought to be retained which the committee brought in, covering definitions and so forth. That part is good. It is legal thinking, of which this committee is so thoroughly capable.

Sections 3 and 6, as written in the Senate bill, are the provisions that ought to be accepted by this body and would be if it could be put to a vote. Let us remember this railroad pension law will not cost the American Government a single cent.

I here offer a short statement of what this bill is and does.

The railroad pension bill is the first attempt of this Nation to provide, through governmental intervention, for industrial old-age retirement. Practically every other civilized nation has had such a pension system for many years. It is necessarily limited to those engaged in interstate and foreign commerce. The railroads themselves learned that it paid them in dollars and cents to hold out to men a reward for long and faithful service. Therefore, 90 percent of the railroad mileage in the United States voluntarily established pensions or a retirement fund many years ago. About 10 percent of the mileage has refused to come in, though receiving the same freight and passenger rates and the same protection under the law.

The railroad pension systems now in existence vary largely in the amounts payable and the conditions required for retirement. In all of these pension systems the railroads alone furnish all the money necessary to pay the pensions. In none of them do the workers contribute any money to the systems. Every one of them could be voided entirely if the railroad officials should so desire. The amounts of pension payments may be reduced at any time according to the desires of the railroad officials. A man might work 30 years and reach 70 years of age and have a pension due him under the custom of the railroad, and this pension could be denied him without any liability on the part of the railroad. Or if the railroad should reduce the pension, as many have done, he has no remedy. The amounts of money paid on retirement vary very largely. The object of this bill is to equalize the whole system by including all railroads under the law, so that the conditions for retirement, the age, the number of years of service, and the amount to be received shall be universal and under governmental supervision and control. In this set-up the railroads pay two-thirds and the workers themselves pay one-third. There is absolutely no expense to the Government itself. The money collected goes straight into the United States Treasury and is kept there till it is paid out directly to the pensioners.

There can be no loss to the pensioners by failure of the railroad companies.

There can be no cancelation of pensions by railroad officials.

There can be no reduction of the pensions earned.

The United States merely sees to it that when a man earns a pension he gets it.

A board is appointed by the President, to be confirmed by the Senate, and this board is empowered to collect directly from the railroads the one-third from the men by check-off system and two-thirds directly from the railroads themselves. The age for retirement is set at 65 years, after 30 years of service. The maximum pension of 60 percent of the average wages over a period of 10 (?) years is the regular provision, though under special conditions this rate may reach 75 percent of this average.

This bill before the House is the result of nearly 3 years' work by the best actuaries and legal talent obtainable. At the beginning there was considerable difference in the bills put forward by the rank and file, known as the "Hatfield-Keller bill", and the bill put forward by the 21 standard railroad executives and known as the "Wagner-Crosser bill." After two sets of hearings before the Senate Committee, the proponents of both these bills worked out and agreed on the bill practically as at present before this body, the rank

and file and the railroad executives being in entire agreement along all lines.

Coordinator Eastman had gathered a very great deal of additional information on the subject and at the last Senate hearing put forward this information. It received consideration and brought about some slight modifications in the bill itself. In the hearing before the House Committee on Interstate and Foreign Commerce, Mr. Herman Eckern, representing the rank and file, and Mr. Eddy, head of telegraphers, for the railroad executives, presented the present bill. Mr. Eastman presented further information and suggestions. A subcommittee was then appointed consisting of Hon. Clarence F. Lea, of California, chairman; Hon. Robert Crosser, of Ohio; Hon. Jacob L. Milligan, of Missouri; Hon. B. Carroll Reece, of Tennessee; and Hon. Pehr G. Holmes, of Massachusetts; and this subcommittee took up with great care the further suggestions of Mr. Eastman. After Mr. Eckern and Mr. Eddy had spent many hours with Mr. Eastman's representatives, slight modifications were arrived at and the bill was reported to the whole committee as a perfected bill as now presented to this House.

This bill does not take into consideration compensation for injuries in the service. That is left to present and future laws on that subject. This bill deals entirely with old-age retirement.

This bill, when put into full force and effect, will retire about one hundred thousand old men now at work; promote every man in the service according to service only, and put to work 100,000 men now idle. Pension provisions for aged employees are not new, either in connection with the railroads or other industries. Pension plans of some kind are in general operation on railroads employing more than 90 percent of the present employees.

The general recognition of the need for age-retirement pensions is best evidenced by the rapid adoption and putting into effect of plans for the purpose under Federal and State laws and in the operation of quasi-public and private corporations generally where these are of sufficient size to make this practicable.

Retirement pensions are provided for civil employees of the United States under the Retirement Act of 1920, as amended in 1926 and 1930. Similar provision is made for canal and railroad employees in Panama under the act of 1931.

Age retirement pensions are provided for public employees generally in Massachusetts and quite largely in New York. State-wide plans covering teachers or other public employees are in force in the greater part of the States and such local plans are in force in nearly every State.

Age-retirement pension systems are being operated by practically all the larger church organizations and by the Y.M.C.A. and the Y.W.C.A.

In addition to the railroads, the large telegraph, telephone, industrial, commercial, banking, and insurance corporations operate age-retirement systems.

Excepting as to the railroads, the trend during recent years has been toward the adoption of joint contributory plans, in which the cost of pensions arising out of future service is shared by the employer and the employee and the employee is given a definite right to the pension provided by the accumulation to which he contributes. This tendency has no doubt been increased by the unfortunate experience of employees in the Wilson Packing Co. case, where, under a plan provided wholly by the employer, the plan was discontinued and the pensions terminated with no recognition of benefits which employees were already enjoying and had looked forward to receiving.

It is a question to what extent, if any, the payment of pensions to aged employees actually increases operating costs.

The plan proposed in the pending bill, instead of adding to the burdens of the railroads, will in the long run greatly relieve these burdens, in that the employees are assuming one-third of the cost, where the railroads under their present plans are bearing the entire cost. In the long run, therefore, the railroads will be able to have, under the pro-

posed plan, a much more liberal and satisfactory pension plan than any that is possible under existing plans.

It is also certain that where a satisfactory plan is in effect, with the result of making possible retirements where needed, more rapid advancement of the men in the service and the reemployment of younger men, with the consequent increase in the satisfaction of the men with their work and in efficiency, the system will actually result in a saving, rather than in an increased expense.

The railroads have a seniority rule under which the men laid off are those most recently employed and they are re-employed in the order of length of service. This seniority rule has the same effect in retaining in service the older employees as the civil service, and makes an immediate retirement system as urgent for the benefit of the railroads themselves as was the Federal retirement system for the United States Public Service when enacted 14 years ago.

The need for age-retirement pensions for railroad employees and for a comprehensive adequate system for that purpose are not open to question. To effectively serve its purpose in the interest of the railroads, the employees and the public, such system must be compulsory upon all railroads and employees in interstate commerce.

Without a satisfactory retirement system, the aged employees are often continued in the service when it would be in the interest of economical operation to retire and pay them pensions; and without making this compulsory on all, the very employees who will be most in need of the pension or retirement will not have taken advantage of the benefits of the retirement system.

Nor can there be any question that such a system will benefit the entire railroad industry. If it be good business judgment to replace worn-out and depreciated equipment with new and efficient equipment, it is equally in the interest of efficient and economical operation to retire employees worn out through long years of service in the industry and to bring into the industry a larger proportion of younger and more active employees.

This will not only benefit the industry but will give to these aged employees the assurance of a comfortable old age paid for by years of devotion to the service.

The great objective now is to put the system into immediate operation. What this means to all railroad employees and their families cannot be overestimated. It is taking the step which in any event must be taken at some time. It sets into motion a railroad retirement system under which all railroad employees will be provided for in their old age.

This is the first great step in America to provide industrial insurance. It will grow into every industry in due course all over this great land of ours.

But the second step must come in the shape of universal Federal old-age pensions. I look forward with eagerness to devoting myself as ardently and enthusiastically to obtaining that end as it has been my great pleasure to do so in carrying on the pioneering in this first great step. At the beginning I could not know when this railroad pension would be granted—but I knew it would be. I do not know when Federal old-age pensions shall be granted, but I know that they will be. At the beginning of work for railroad pensions there was no social vision in high places to encourage us, but with President Roosevelt standing boldly for old-age pensions I cannot believe it can be very long when the old and helpless everywhere under the American flag will be liberated from the haunting fear of old-age poverty.

Mr. BLANTON. Mr. Speaker, I ask to extend my remarks, and also for unanimous consent to make a comparative statement of facts with erroneous assertions in the press by incorporating some exhibits.

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

There was no objection.

Mr. MERRITT. Mr. Speaker, I believe I have 1 minute remaining. In that time I would like the House to note that no one in favor of this bill has touched the question of where the money to meet the expenses incurred by this bill



is coming from. I hope the Members will think of that when they vote.

Mr. CROSSER. Mr. Speaker, I yield one-half minute to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, may I say this railroad pension bill is just and equitable legislation, and I hope it will pass unanimously. A number of Members of the House have asked me what the attitude of labor outside the railroads is on this bill. May I say that organized labor in every State of the Union throughout the Nation is unanimously in favor of this legislation. [Applause.]

Mr. CROSSER. Mr. Speaker, I yield such time to the gentleman from New York [Mr. MEAD] as he desires.

Mr. MEAD. Mr. Speaker, in answer to the questions directed to the House by the distinguished gentleman from Connecticut, may I say that the income of the railroads was up 69 percent in April last as compared with April a year ago. It is high time that the railroads make their contribution toward the restoration of prosperity, because so far they have not made any such contribution. They are not under the N.R.A. and have not increased wages nor have they shortened the hours of their employees as is the case of other industries. I ask unanimous consent to extend my remarks in the Record and in my extension I will go further into the subject of finances as affecting the railroads. [Applause.]

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

There was no objection.

Mr. MEAD. This bill is similar in its purpose and provisions to the United States Civil Service retirement annuity law. It is a forward economic and social step, and an attempt to better the conditions of the railroad employees. It is designed to protect the worker and cost the carriers as little as possible.

A pension will be paid upon either of two grounds: When the worker has reached the age of 65, or when he has completed 30 years of service. It makes retirement compulsory at 65, although provisions are included to permit 1 year extensions. Although in no case may a man be employed over 70 years of age.

The employees will contribute 2 percent of their salaries annually, and the carriers will contribute twice the sum given by the employees. The United States Treasury will be the depository for the money. The pension system is to be administered by a board of three members chosen by the President.

A reduction is made in the annuity if an employee is retired before he reaches 65; that is, after completing 30 years of service. If he retires as early as 50, no pension will be paid.

The average wage of a railroad employee now is \$1,667 per year. Under the pension system provided in this bill, he would receive, upon retirement, an average of \$83.33 per month.

Ninety percent of the carriers now provide some form of pension. They pay out annually \$37,000,000 at present for retirement benefits. Most of their retirement systems, however, are undemocratic, nonprotective, and generally unsatisfactory. Under many of the existing systems an employee who has ever participated in a strike is ineligible for a pension. Also, in cases of strikes, the carriers often recall pensioned employees, who have been previously declared unfit for active service, to serve in these emergencies. They are forced to break faith with the other employees. A refusal to serve costs them their only safeguard, their pension.

This system would cost the carriers about \$60,000,000 the first year, if put into effect. Approximately 50,000 old employees would be placed on the pension rolls, and this would provide employment for 50,000 young, active men. It would give the carriers an opportunity to employ younger men who are at the height of their efficiency.

The plan is so constructed that adequate funds can be provided without working a hardship on either the carriers or the employees. Both will make their contributions. The passage of this bill will promote recovery by providing re-employment, afford the railroad veterans, now in hard cir-

cumstances, a decent existence, and will guarantee a genuine protection for this class of workers for all time in the future.

Considering the fact that approximately 90 percent of the carriers now provide some form of pension and that these authorized pension systems have been in operation throughout the depression, it is not unreasonable to assume that the added cost which would result from the enactment of this legislation could be assumed without much difficulty by the railroads. Railroad earnings are increasing; dividends are being restored, and in many cases the reduced dividends of recent years are being increased. Recent reports indicate that class I railroads had a net income of approximately \$32,200,000 in April of this year. This is 69 percent greater than the net income of April 1933.

In a recent issue of the New York Times I read a statement to the effect that the income of class I railroads increased during the month of January this year, as compared with the same period last year, approximately 120 percent. In other words, the operating net income for January 1934 amounted to \$29,200,000 as against \$13,265,000 for the same month in 1933. This increase in earnings was not only effected by increased traffic but was in part at least the result of reducing personnel, speeding up, and the exercise of such other economies as were found possible. If, therefore, the railroads could maintain a pension system of their own, they certainly can be expected to maintain the retirement system provided for in this legislation, because of the increase in revenues resulting from better business conditions and more economic operation, as well as for the added reason that the employees themselves will for the first time in the history of American railroads be called upon to make their contribution. The contribution made by the men will be a substantial one—a contribution that will be freely given. The employees realize that this money will not only provide for the veteran railroad worker in his old age but it will also provide opportunity for the extra man to enjoy steady employment. It will develop a sense of security among the railroad wage earners of the country which will have a decided and beneficial effect upon their morale.

I welcome the opportunity to support this legislation, and I believe the day is not far distant when all the wage earners of the United States will participate in the benefits provided for them by similar legislation.

This bill is similar in its purpose and provisions to the United States Civil Service retirement annuity law. It is a forward economic and social step and an attempt to better the conditions of the railroad employees. It is designed to protect the worker and cost the carriers as little as possible.

A pension will be paid upon either of two grounds: When the worker has reached the age of 65, or when he has completed 30 years of service. It makes retirement compulsory at 65, although provisions are included to permit 1-year extensions. Although in no case may a man be employed over 70 years of age.

The employees will contribute 2 percent of their salary annually, and the carriers will contribute twice the sum given by the employees. The United States Treasury will be the depository for the money. The pension system is to be administered by a board of three members chosen by the President.

Mr. CROSSER of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN of Montana. Mr. Speaker, to add anything to what has been said would be mere repetition. The majority of the membership of this House want this bill enacted into law as speedily as possible. The President of the United States has said that it should be enacted during this session. At least this small measure is due the working people of America out of all legislation that has been considered and acted upon during this session of Congress. I hope likewise that the amendments to the Railway Labor Act will be enacted into law. We can do no less for the railroad employees of the country than to enact these measures at this time. This pension bill will lead the way as a prototype for a splendid system of pensions which I hope

will spread across all industry, guaranteeing to age that security, calm, and peace which it should have in its declining years. About precedents, they must be broken if America is to survive. Let Uncle Sam establish precedents, as the great leader at the other end of the Avenue has attempted to do, in the interest of America's laboring people, for the promotion of their general welfare and living conditions that the purposes and intent of the Constitution of the United States, designed as it was to guarantee life, liberty, and the pursuit of happiness, may be advanced. Without the guarantee of security to age there cannot be that happiness and calm which should come when a man has given his lifetime to the service of an industry and of his Nation. In addition to this, opportunity will be created for reemployment of thousands of unemployed rail workers, greatly relieving unemployment. The railroads of the country as an industry make adequate provisions for machinery. They should likewise be compelled to make adequate and reasonable provision for their men. [Applause.]

[Here the gavel fell.]

Mr. CROSSER of Ohio. I yield such time to the gentleman from Florida [Mr. GREEN] as he may desire.

Mr. GREEN. Mr. Speaker, I heartily support this legislation. It is a most progressive and needed bill. It will benefit not only the one retiring but the fellow with less seniority and also the public in general. It will add to the purchasing power of the American people in general. It will give that security in old age that is so conducive to contentment and good citizenship.

This legislation is in keeping with the recent message of President Roosevelt in which he deals with industrial insurance or social insurance. This is industrial insurance for the railroad employees. They and the railroad companies will contribute to the fund which will be administered by the Government. The plan is fair, just, and for the best interest of the American people. It probably will be followed by other industries and business concerns.

It is in line with President Roosevelt's recent message on old-age insurance or old-age pensions. It will, in a way, serve as an old-age pension for railroad employees. I urge the Congress before adjournment to pass our old-age pension bill. It is humanitarian and will add so much to the purchasing power of all of our people. It is now sorely needed and I hope my colleagues will consent to its passage before adjournment.

Time is too limited to fully discuss the bill before us, but I trust that it may be passed by an overwhelming vote. It is full of merit and we as friends of labor have long advocated such legislation.

Mr. Speaker, I ask unanimous consent to extend my remarks on the subject.

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

There was no objection.

Mr. CROSSER of Ohio. Mr. Speaker, I yield such time to the gentleman from Wisconsin [Mr. O'MALLEY], as he desires.

Mr. O'MALLEY. Mr. Speaker, as an ardent advocate of this particular legislation for more than 4 years in both my campaigns and since my election to office, may I say that I hope this law will be the keystone in a broad structure of social security that will extend its arches across this great country of ours. Much has been said about experiment in connection with the program designed to rehabilitate and restore the prosperity of this Nation. Experiment by the trial-and-error method is the only way to progress. We perfect a program, enact it into law, and sometimes even as it is enacted it may not be satisfactory to everyone. Only by enacting some law, however, do we find the things to discard and the things to keep after a trial period. Mr. Speaker, this legislation to my mind is the noblest of the experiments in behalf of human welfare that we have embarked upon in this Seventy-third Congress. It is an experiment designed to bring happiness and security in old age to hundreds of thousands of loyal, efficient workers who have helped to make this the great Nation it is. It is a beneficial system

of old-age security that has been justified in every part of the world by similar legislation that we propose to establish here. I am particularly proud that the Democratic administration has placed its stamp of approval upon this forward-looking, progressive effort in behalf of the workers upon whom the safety of the commerce and industry of the Nation depends in large measure.

History's pages show that generations of men have interested themselves in legislation affecting man's relationship to his individual fellow man. (We can be thankful that out of the woe and depression of the past years, the unemployment, deprivation, and financial loss has taught us that the new and ideal conception of government also recognizes the need of legislating for human welfare under an economic system over which the individual has small control.) Our system has produced a state of things where men must be retired from the ranks of competitive labor at reasonable ages to make room for those who are coming into manhood and who must take up careers to provide themselves and their families with the necessities of life. At the same time, we must guarantee those whom modern industry and science have placed in the ranks of the obsolete as surely as machines are worn out the opportunity to retire on incomes where they may remain consumers of our production and not become the degrading objects of charity. We have learned the value of retiring our postal employees, veteran soldiers, policemen, firemen, teachers, and others. How great, then, the need for retiring that army of workers in the railway industry upon whose daily performance of duty rests the lives of thousands of travelers. I have long favored the principle of an industrial retirement system supported by workers and employers alike; and because of this great interest and because I have lived in daily contact with the loyalty and dependability that is an inherent characteristic of those who labor on the steel highways of our Nation, I have been ardently supporting the successful passage of this measure.

It may be true that in some small details this legislation is not completely satisfactory to all who have urged its passage. But legislation is nearly always a matter of compromise in detail in order to achieve the adoption of a basic principle. I am satisfied that this act will provide a reasonably adequate pension raised by a sound and equitable method from employee and employers alike; that it will provide countless new jobs for workers in the railroad industry now on the extra or lay-off lists; and that it will remove the fear of the poorhouse and indigent old age that constantly besets the worker. It is my sincere hope, Mr. Speaker, that what we do here today will lay down the framework for a broader program of retirement legislation that will prove so beneficial that the next session of Congress will extend its benefits to other trade groups in the American industrial system. I think I may safely predict that the passage of this bill will do much to hasten the time when workers and industrial leaders alike in other fields of American commerce will ask similar legislation from the United States Congress.

It is a great compliment to railroad labor that their unity, keen understanding of social progress, and their loyal support of liberal legislators has enabled many of us to be here to vote for this bill. The men themselves, in large part, have successfully pioneered this legislation and today they stand upon the brink of the most important victory for labor and humanity in my generation.

I hope the House will pass this bill without a dissenting vote, Mr. Speaker.

Mr. CROSSER of Ohio. Mr. Speaker, I yield such time to the gentleman from Massachusetts [Mr. GRANFIELD] as he desires.

Mr. GRANFIELD. Mr. Speaker, I am happy to join with my colleagues in supporting this bill which will create a retirement system for railroad employees.

The gentleman from Texas [Mr. RAYBURN], Chairman of the House Committee on Interstate and Foreign Commerce, whose energy facilitated the consideration of this bill before adjournment, deserves the commendation of every Member of Congress.

During his remarks the gentleman from Connecticut [Mr. MERRITT] very properly stated that many railroads have already established pension systems for their employees. While this is a fact, this bill will establish a definite and uniform system of retirement benefits for employees of all railroads. In other words, it will set up a national system and set aside the makeshift system which is now in effect.

I have a particular interest in this measure which will affect so vitally every railroad employee. For a period of some 35 years my father toiled as a laborer on the Boston & Albany Railroad at Springfield, Mass. In 1928 he retired without a pension. He is not receiving one, he never did receive one, and is now so situated that I hope he will never need one. There are thousands of his fellow employees not so fortunate who were forced out of their employment by the recent depression. These men have been actually scrapped after having given the most productive and useful years of their lives in the service of their employers. Today these men are not wanted in industry; they are too old. Many of them are willing to work; but, with their efficiency reduced, some of them are forced upon public charity for their subsistence, through no fault of their own. This condition should not exist in a country as enlightened as ours. I hope to see the day when industry and business generally will be forced to make provisions for their unemployed. I am convinced that under the leadership of the man at the other end of Pennsylvania Avenue that day is not far distant. These men ought to be cared for, and this bill will provide the protection that they are entitled to. It will give them an earned old-age security, and it will make them independent at that time of life when independence is so vital to their own well-being.

I am sorry that I have not the time to discuss the plan of this bill, but I am happy to have the privilege this morning of lending my voice in support of its passage. I trust this measure will receive the unanimous approval of the Congress and will be enacted into law before adjournment.

Mr. CROSSER of Ohio. Mr. Speaker, I yield such time to the gentleman from Ohio [Mr. DUFFEY] as he desires.

Mr. DUFFEY. Mr. Speaker, it happens that on this occasion the author of the bill, the gentleman from Ohio [Mr. CROSSER], and the gentleman from Ohio [Mr. COOPER], are my colleagues and my good friends, and they are well acquainted with this legislation. May I say that I am in hearty accord with it.

My district includes the city of Toledo, Ohio, the third largest railroad center in our country. Many thousands of my constituents are railroad employees who for years have desired this legislation. I am glad today to vote favorably to fulfill my promise to them, and because this legislation is, I know, most meritorious and deserving. My colleague [Mr. CROSSER] again has demonstrated his loyalty to the railroad employees.

Mr. CROSSER of Ohio. I yield the remainder of my time to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, coming as I do from one of the great railroad centers of the United States, St. Louis, where 34 trunk lines enter our city, naturally I know the feeling of the men and women employed by the railroads. From time to time I hear from the railroad executives and I cannot recall at the moment having received one protest against a proper pension or retirement system for railroad employees. [Applause.]

On June 8 the President sent a message to the Congress. I quote one sentence:

Among our objectives I place the security of men, women, and children of the Nation first.

This bill is Congress' first response to that message. Its objective is to provide security for that vast number of employees of the railroads. Next to agriculture there are more people employed by railroads than any other industry or profession. Had the thoughts of President Roosevelt, along the line of security, been enacted into law 25 years ago, consider the benefits that would have accrued to this army of employees during the depression.

The Government has provided for its employees. Instead of turning them out in the streets when they reach the age where they are no longer able to carry on, the Government employee is placed on the retirement roll and receives an amount monthly that enables him to meet his needs at least in part.

The general public does not know the railroad employee or the nature of his work. Their acquaintance is limited to those who man the passenger trains. They do not know the millions employed in the offices at a low rate of pay. I think it is safe to say, not one in a hundred men and women employed in the offices of railroads ever receive as much as \$200 a month, regardless of their length of service. The public does not know the men who handle the freight trains, the maintenance-of-way men, and others with whom they never come in contact.

Mr. Speaker, I wish the Membership of this House could have heard our good friend and colleague, JIM MEAD, of Buffalo, N.Y., tell the story of the railroad switchman a fortnight ago. I attended a banquet at which Mr. MEAD was presented with a life membership in the Switchman's Union of North America. Under the bylaws of this organization life membership is only granted by a direct vote of the delegates at a national convention. Only two members of the union have been so honored. A silver membership card was presented to our colleague, and in his acceptance speech he told of the hardships he had endured as a switchman. It was a dramatic recital of human endurance. Regardless of the elements, the switchman must be on the job. This also applies to many other railroad employees who must keep the road open so that you and I can reach our destination, so that food can be brought to your door, and supplies to your factories. Is it not only fair that when such men reach the near end that some provisions be made for their care?

This bill is by no means perfect. It is a step in the right direction. It can be amended by a future Congress, but it will serve as an example and guidance for future legislation that must be enacted to carry out the President's security program. We will receive the thanks of the railroad employees for our work here today. I cannot refrain, however, from saying that we should have done this years ago.

I hope to see the day soon arrive when the Congress has provided by law for proper pension or retirement systems for all.

In conclusion let me pay a brief tribute to my good friend from Ohio, ROBERT CROSSER. Only last week we saw two men stand in their seats here and refuse to vote for a recess. The thought behind that vote was that Congress must not adjourn until it passes legislation benefitting the railroad employee, including this bill. BOB CROSSER was one. Not blessed at the present time with the best of health, he is at his post of duty today in charge of the bill that he has worked for many years. The railroad employees will never forget BOB CROSSER for the interest he has taken in their welfare.

Mr. Speaker, it is a genuine pleasure for me to be able to vote for this bill today. I hope the conferees will bring back even a better measure.

The SPEAKER. All time has expired.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that all Members of the House may be allowed 5 legislative days in which to extend their remarks on the pending bill.

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

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Ohio [Mr. CROSSER] to suspend the rules and pass the bill as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed, and a motion to reconsider was laid on the table.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the House insist upon its amendment to the Senate bill (S. 3231) and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears

none, and appoints the following conferees: Messrs. LEA of California, CROSSER of Ohio, MILLIGAN, HOLMES, and REECE.

DISPOSITION OF DISPUTES BETWEEN CARRIERS AND THEIR EMPLOYEES

Mr. CROSSER of Ohio. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9861) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, as amended.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 1 of the Railway Labor Act is amended to read as follows:

"DEFINITIONS

"SECTION 1. When used in this act and for the purposes of this act—

"First. The term 'carrier' includes any express company, sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act, and any company which is directly or indirectly owned or controlled by or under common control with any carrier by railroad and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation of passengers or property or the receipt, delivery, elevation, transfer in transit, refrigeration or icing storage, and handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the business of any such 'carrier': *Provided, however,* That the term 'carrier' shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Board of Mediation or upon complaint of any party interested to determine after hearing whether any line operated by electric power falls within the terms of this proviso.

"Second. The term 'Adjustment Board' means the National Board of Adjustment created by this act.

"Third. The term 'Board of Mediation' means the Board of Mediation created by this act.

"Fourth. The term 'commerce' means commerce among the several States or between any State, Territory, or the District of Columbia and any foreign nation, or between any Territory or the District of Columbia and any State, or between any Territory and any other Territory, or between any Territory and the District of Columbia, or within any Territory or the District of Columbia, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign nation.

"Fifth. The term 'employee' as used herein includes every person in the service of a carrier (subject to its continuing authority to supervise and direct the manner of rendition of his service) who performs any work defined as that of an employee or subordinate official in the orders of the Interstate Commerce Commission in effect on the date of the enactment of this amendatory act, and as the same may be amended or interpreted by orders hereafter entered by the Commission pursuant to the authority which is hereby conferred upon it to enter orders amending or interpreting such existing orders: *Provided, however,* That no occupational classification made by order of the Interstate Commerce Commission shall be construed to define the crafts according to which railway employees may be organized by their voluntary action, nor shall the jurisdiction or powers of such employee organizations be regarded as in any way limited or defined by the provisions of this act or by the orders of the Commission.

"Sixth. The term 'company union' means any group or association of employees formed for the purpose of collective bargaining, whether or not same shall be formally organized, which was so formed at the suggestion, with the aid, or under the influence of any carrier, or its or their officers or agents, and/or whose constitution, bylaws, or actions are under any control or influence of any carrier, or carriers, or its or their offices or agents.

"Seventh. The term 'representative' means any person or persons, labor union, organization, or corporation designated either by a carrier or group of carriers or by its or their employees, to act for it or them.

"Eighth. The term 'district court' includes the Supreme Court of the District of Columbia; and the terms 'circuit court of appeals' includes the Court of Appeals of the District of Columbia.

"This act may be cited as the 'Railway Labor Act.'"

Sec. 2. Section 2 of the Railway Labor Act is amended to read as follows:

"GENERAL PURPOSES

"Sec. 2. The purposes of the act are: (1) To avoid any interruption to commerce or to the operation of any carrier engaged therein; (2) to forbid any limitation upon freedom of association among employees or any denial, as a condition of employment or otherwise, of the right of employees to join a labor organization; (3) to provide for the complete independence of carriers and of employees in the matter of self-organization to carry out the purposes of this act; (4) to provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules, or work-

ing conditions; (5) to provide for the prompt and orderly settlement of all disputes growing out of grievances or out of the interpretation or application of agreements covering rates of pay, rules, or working conditions.

"GENERAL DUTIES

"First. It shall be the duty of all carriers, their officers, agents, and employees to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of the application of such agreements or otherwise, in order to avoid any interruption to commerce or to the operation of any carrier growing out of any dispute between the carrier and the employees thereof.

"Second. All disputes between a carrier or carriers and its or their employees shall be considered, and, if possible, decided, with all expedition, in conference between representatives designated and authorized so to confer, respectively, by the carrier or carriers and by the employees thereof interested in the dispute.

"Third. Representatives, for the purposes of this act, shall be designated by the respective parties without interference, influence, or coercion by either party over the designation of representatives by the other; and neither party shall in any way interfere with, influence, or coerce the other in its choice of representatives. Representatives of employees for the purposes of this act need not be persons in the employ of the carrier, and no carrier shall, by interference, influence, or coercion seek in any manner to prevent the designation by its employees as their representatives of those who or which are not employees of the carrier.

"Fourth. Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for purposes of making or revising agreements concerning rates of pay, rules, and working conditions. No carrier, its officers, or agents shall deny or in any way question the right of its employees to join the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of employees, or to use the funds of the carrier in maintaining company unions, or to influence or coerce employees in an effort to induce them to join or remain members of such company unions, or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to company unions, or to collect or to assist in the collection of any such dues, fees, assessments or other contributions: *Provided,* That nothing in this act shall be construed to prohibit a carrier from furnishing free transportation to its employees while engaged in the business of a labor organization.

"Fifth. No carrier, its officers, or agents shall require any person seeking employment to sign any contract or agreement promising to join or not to join a company union; and if any such contract has been enforced prior to the effective date of this act, then such carrier shall notify the employees by an appropriate order that such contract has been discarded and is no longer binding on them in any way.

"Sixth. In case of a dispute between a carrier or carriers and its or their employees, arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, it shall be the duty of the designated representative or representatives of such carrier or carriers and of such employees, within 10 days after the receipt of notice of a desire on the part of either party to confer in respect to such dispute, to specify a time and place at which such conference shall be held: *Provided,* (1) That the place so specified shall be situated upon the line of the carrier involved or as otherwise mutually agreed upon; and (2) that the time so specified shall allow the designated conferees reasonable opportunity to reach such place of conference, but shall not exceed 20 days from the receipt of such notice: *And provided further,* That nothing in this act shall be construed to supersede the provisions of any agreement (as to date for conference) then in effect between the parties.

"Seventh. No carrier, its officers or agents shall change the rates of pay, rules, or working conditions of its employees, as a class as embodied in agreements except in the manner prescribed in such agreements or in section 6 of this act.

"Eighth. Every carrier shall notify its employees by printed notices in such form and posted at such times and places as shall be specified by the Board of Mediation that all disputes between the carrier and its employees will be handled in accordance with the requirements of this act, and in such notices there shall be printed verbatim, in large type, the third, fourth, and fifth paragraphs of this section. The provisions of said paragraphs are hereby made a part of the contract of employment between the carrier and each employee, and shall be held binding upon the parties, regardless of any other express or implied agreements between them.

"Ninth. If any dispute shall arise among a carrier's employees as to who are the representatives of such employees designated and authorized in accordance with the requirements of this act, it shall be the duty of the Board of Mediation, upon request of either party to the dispute, to investigate such dispute and to certify to both parties, in writing, within 30 days after the receipt of the invocation of its services, the name or names of the individuals or organizations that have been designated and authorized to represent the employees involved in the dispute, and certify the same to the carrier. Upon receipt of such certification the carrier shall treat with the representative so certified as the representative of the craft or class for the purposes of this act. In

such an investigation, the Board of Mediation shall be authorized to take a secret ballot of the employees involved, or to utilize any other appropriate method of ascertaining the names of their duly designated and authorized representatives in such manner as shall insure the choice of representatives by the employees without interference, influence, or coercion exercised by the carrier. In the conduct of any election for the purposes herein indicated the Board shall designate who may participate in the election and establish the rules to govern the election, or may appoint a committee of three neutral persons who after hearing shall within 10 days designate the employees who may participate in the election. The Board shall have access to and have power to make copies of the books and records of the carriers to obtain and utilize such information as may be deemed necessary by it to carry out the purposes and provisions of this paragraph.

"Tenth. The willful failure or refusal of any carrier, its officers or agents to comply with the terms of the third, fourth, fifth, seventh, or eighth paragraph of this section shall be a misdemeanor, and upon conviction thereof the carrier, officer, or agent offending shall be subject to a fine of not less than \$1,000 nor more than \$20,000 or imprisonment for not more than 6 months, or both fine and imprisonment, for each offense, and each day during which such carrier, officer, or agent shall willfully fail or refuse to comply with the terms of the said paragraphs of this section shall constitute a separate offense. It shall be the duty of any district attorney of the United States to whom any duly designated representative of a carrier's employees may apply to institute in the proper court and to prosecute under the direction of the Attorney General of the United States, all necessary proceedings for the enforcement of the provisions of this section, and for the punishment of all violations thereof and the costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States: *Provided*, That nothing in this act shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent."

SEC. 3. Section 3 of the Railway Labor Act is amended to read as follows:

"NATIONAL BOARD OF ADJUSTMENT—GRIEVANCES—INTERPRETATION OF AGREEMENTS

"SEC. 3. First. There is hereby established a Board, to be known as the 'National Board of Adjustment', the members of which shall be selected within 30 days after approval of this act, and it is hereby provided—

"(a) That the said Adjustment Board shall consist of 36 members, 18 of whom shall be selected by the carriers and 18 by such labor organizations of the employees, national in scope, as have been or may be organized in accordance with the provisions of section 2 of this act.

"(b) The carriers, acting each through its board of directors or its receiver or receivers, trustee or trustees or through an officer or officers designated for that purpose by such board, trustee or trustees or receiver or receivers, shall prescribe the rules under which its representatives shall be selected and shall select the representatives of the carriers on the Adjustment Board and designate the division on which each such representative shall serve, but no carrier or system of carriers shall have more than one representative on any division of the Board.

"(c) The national labor organizations, as defined in paragraph (a) of this section, acting each through the chief executive or other medium designated by the organization or association thereof, shall prescribe the rules under which the labor members of the Adjustment Board shall be selected and shall select such members and designate the division on which each member shall serve; but no labor organization shall have more than one representative on any division of the Board.

"(d) In case of a permanent or temporary vacancy on the Adjustment Board, the vacancy shall be filled by selection in the same manner as in the original selection.

"(e) If either the carriers or the labor organizations of the employees fail to select and designate representatives to the Adjustment Board, as provided in paragraphs (b) and (c) of this section, respectively, within 60 days after the passage of this act, in case of any original appointment to office of a member of the Adjustment Board, or in case of a vacancy in any such office within 30 days after such vacancy occurs, the Board of Mediation shall thereupon directly make the appointment and shall select an individual associated in interest with the carriers or the group of labor organizations of employees, whichever he is to represent.

"(f) In the event a dispute arises as to the right of any national labor organization to participate as per paragraph (c) of this section in the selection and designation of the labor members of the Adjustment Board, the Secretary of Labor shall investigate the claim of such labor organization to participate, and if such claim in the judgment of the Secretary of Labor has merit, the Secretary shall notify the Board of Mediation accordingly, and within 10 days after receipt of such advice the Board of Mediation shall request those national labor organizations duly qualified as per paragraph (c) of this section to participate in the selection and designation of the labor members of the Adjustment Board to select a representative. Such representative, together with a representative likewise designated by the claimant, and a third or neutral party designated by the Board of Mediation, consti-

tuting a board of three, shall within 30 days after the appointment of the neutral member, investigate the claims of the labor organization desiring participation and decide whether or not it was organized in accordance with section 2 hereof and is otherwise properly qualified to participate in the selection of the labor members of the Adjustment Board, and the findings of such boards of three shall be final and binding.

"(g) Each member of the Adjustment Board shall be compensated by the party or parties he is to represent. Each third or neutral party selected under the provisions of (f) of this section shall receive from the Board of Mediation such compensation as the Board of Mediation may fix, together with his necessary traveling expenses and expenses actually incurred for subsistence, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while serving as such third or neutral party.

"(h) The said Adjustment Board shall be composed of four divisions, whose proceedings shall be independent of one another, and the said divisions as well as the number of their members shall be as follows:

"First division: To have jurisdiction over disputes involving train- and yard-service employees of carriers; that is, engineers, firemen, hostlers, and outside hostler helpers, conductors, trainmen, and yard-service employees. This division shall consist of 10 members, 5 of whom shall be selected and designated by the carriers and 5 of whom shall be selected and designated by the national labor organizations of the employees.

"Second division: To have jurisdiction over disputes involving machinists, boiler-makers, blacksmiths, sheet-metal workers, electrical workers, carmen, the helpers and apprentices of all the foregoing, coach cleaners, power-house employees, and railroad-shop laborers. This division shall consist of 10 members, 5 of whom shall be selected by the carriers and 5 by the national labor organizations of the employees.

"Third division: To have jurisdiction over disputes involving station, tower, and telegraph employees, train dispatchers, maintenance-of-way men, clerical employees, freight handlers, express, station, and store employees, signal men, sleeping-car conductors, sleeping-car porters, and maids and dining-car employees. This division shall consist of 10 members, 5 of whom shall be selected by the carriers and 5 by the national labor organizations of employees.

"Fourth division: To have jurisdiction over disputes involving employees of carriers directly or indirectly engaged in transportation of passengers or property by water, and all other employees of carriers over which jurisdiction is not given to the first, second, and third divisions. This division shall consist of 6 members, 3 of whom shall be selected by the carriers and 3 by the national labor organizations of the employees.

"(i) The disputes between an employee or group of employees and a carrier or carriers growing out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, including cases pending and unadjusted on the date of enactment of this amendatory act, shall be handled in the usual manner up to and including the chief operating officer of the carrier designated to handle such disputes; but, failing to reach an adjustment in this manner, the disputes may be referred by petition of the parties or by either party to the appropriate division of the Adjustment Board with a full statement of the facts and all supporting data bearing upon the disputes.

"(j) Parties may be heard either in person, by counsel or by other representatives, as they may respectively elect, and the several divisions of the Adjustment Board shall give due notice of all hearings to the employee or employees and the carrier or carriers involved in any disputes submitted to them.

"(k) Any division of the Adjustment Board shall have authority to empower two or more of its members to conduct hearings and make findings upon disputes, when properly submitted, at any place designated by the division: *Provided, however*, That final awards as to any such dispute must be made by the entire division as hereinafter provided.

"(l) Upon failure of any division to agree upon an award because of a deadlock or inability to secure a majority vote of the division members, as provided in paragraph (n) of this section, then such division shall forthwith agree upon and select a neutral person, to be known as 'referee', to sit with the division as a member thereof and make an award. Should the division fail to agree upon and select a referee within 10 days of the date of the deadlock or inability to secure a majority vote, then the division, or any member thereof, or the parties or either party to the dispute may certify that fact to the Board of Mediation, which Board shall, within 10 days from the date of receiving such certificate, select and name the referee to sit with the division as a member thereof and make an award. The Board of Mediation shall be bound by the same provisions in the appointment of these neutral referees as are provided elsewhere in this act for the appointment of arbitrators and shall fix and pay the compensation of such referees.

"(m) The awards of the several divisions of the Adjustment Board shall be stated in writing. A copy of the awards shall be furnished to the respective parties to the controversy, and the awards shall be final and binding upon both parties to the disputes, except insofar as they shall contain a money award. In case a dispute arises involving an interpretation of the award, the division of the Board upon request of either party shall interpret the award in the light of the dispute.

"(n) A majority vote of all members of the division of the Adjustment Board shall be competent to make an award with respect to any dispute submitted to it.

"(o) In case of an award by any division of the Adjustment Board in favor of petitioner, the division of the Board shall make an order directed to the carrier, to make the award effective and, if the award includes a requirement for the payment of money, to pay to the employee the sum to which he is entitled under the award on or before a day named.

"(p) If a carrier does not comply with an order of a division of the Adjustment Board within the time limit in such order, the petitioner, or any person for whose benefit such order was made, may file in the District Court of the United States for the district in which he resides or in which is located the principal operating office of the carrier, or through which the carrier operates, a petition setting forth briefly the causes for which he claims relief, and the order of the division of the Adjustment Board in the premises. Such suit in the District Court of the United States shall proceed in all respects as other civil suits, except that on the trial of such suit the findings and order of the division of the Adjustment Board shall be prima facie evidence of the facts therein stated, and except that the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings, unless they accrue upon his appeal, and such costs shall be paid out of the appropriation for the expenses of the courts of the United States. If the petitioner shall finally prevail, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit. The district courts are empowered, under the rules of the court governing actions at law, to make such order and enter such judgment, by writ of mandamus or otherwise, as may be appropriate to enforce or set aside the order of the division of the Adjustment Board.

"(q) All actions at law based upon the provisions of this section shall be begun within 2 years from the time the cause of action accrues under the award of the division of the Adjustment Board, and not after.

"(r) The several divisions of the Adjustment Board shall maintain headquarters in Chicago, Ill., meet regularly, and continue in session so long as there is pending before the division any matter within its jurisdiction which has been submitted for its consideration and which has not been disposed of.

"(s) Whenever practicable, the several divisions or subdivisions of the Adjustment Board shall be supplied with suitable quarters in any Federal building located at its place of meeting.

"(t) The Adjustment Board may, subject to the approval of the Board of Mediation, employ and fix the compensations of such assistants as it deems necessary in carrying on its proceedings. The compensation of such employees shall be paid by the Board of Mediation.

"(u) The Adjustment Board shall meet within 40 days after the approval of this act and adopt such rules as it deems necessary to control proceedings before the respective divisions and not in conflict with the provisions of this section. Immediately following the meeting of the entire Board and the adoption of such rules, the respective divisions shall meet and organize by the selection of a chairman, a vice chairman, and a secretary. Thereafter each division shall annually designate one of its members to act as chairman and one of its members to act as vice chairman: *Provided, however,* That the chairmanship and vice chairmanship of any division shall alternate as between the groups, so that both the chairmanship and vice chairmanship shall be held alternately by a representative of the carriers and a representative of the employees. In case of a vacancy such vacancy shall be filled for the unexpired term by the selection of a successor from the same group.

"(v) Each division of the Adjustment Board shall annually prepare and submit a report of its activities to the Board of Mediation, and the substance of such report shall be included in the annual report of the Board of Mediation to the Congress of the United States.

"(w) Any division of the Adjustment Board shall have authority, in its discretion, to establish regional adjustment boards to act in its place and stead for such limited period as such division may determine to be necessary. Carrier members of such regional board shall be designated in keeping with rules devised for this purpose by the carrier members of the Adjustment Board and the labor members shall be designated in keeping with rules devised for this purpose by the labor members of the Adjustment Board. Any such regional board shall, during the time for which it is appointed, have the same authority to conduct hearings, make findings upon disputes and adopt the same procedure as the division of the Adjustment Board appointing it, and its decisions shall be enforceable to the same extent and under the same processes. A neutral person, as referee, shall be appointed for service in connection with any such regional adjustment board in the same circumstances and manner as provided in paragraph (1) hereof, with respect to a division of the Adjustment Board.

"Second. Nothing in this section shall be construed to prevent any individual carrier, system, or group of carriers and any class or classes of its or their employees, all acting through their representatives selected in accordance with the provisions of this act, from mutually agreeing to the establishment of system, group, or regional boards of adjustment for the purpose of adjusting and deciding disputes of the character specified in this section. If such voluntary method of adjustment is established, it shall preclude the parties thereto from presenting disputes, either originally or on appeal, to any board of adjustment provided for in this section. In the event that either party to such a system, group,

or regional board of adjustment is dissatisfied with such arrangement, it may, upon 90 days' notice to the other party, elect to come under the jurisdiction of the Adjustment Board."

SEC. 4. Paragraph "Third" of section 4 of the Railway Labor Act is amended to read as follows:

"Third. The Board of Mediation may (1) appoint such experts and assistants to act in a confidential capacity and, subject to the provisions of the civil-service laws, such other officers and employees as are essential to the effective transaction of the work of the Board; (2) in accordance with the Classification Act of 1923, fix the salaries of such experts, assistants, officers, and employees; and (3) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding, and including expenditures for salaries and compensation, necessary traveling expenses and expenses actually incurred for subsistence, and other necessary expenses of the Mediation Board, Adjustment Board, Regional Adjustment Boards established under paragraph (w) of section 3, and boards of arbitration, in accordance with the provisions of this section and sections 3 and 7, respectively), as may be necessary for the execution of the functions vested in the Board, in the Adjustment Board, and in the boards of arbitration, and as may be provided for by the Congress from time to time. All expenditures of the Board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman."

SEC. 5. Section 4 of the Railway Labor Act is amended by adding at the end thereof a new paragraph, as follows:

"Fourth. The Board of Mediation is hereby authorized by its order to assign, or refer, any portion of its work, business, or functions arising under this or any other act of Congress, or referred to it by Congress or either branch thereof, to an individual member of the Board or to an employee or employees of the Board to be designated by such order for action thereon, and by its order at any time to amend, modify, supplement, or rescind any such assignment or reference. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the Board. In conformity with and subject to the order or orders of the Board of Mediation in the premises, any such individual member of the Board or employee designated shall have power and authority to act as to any of said work, business, or functions so assigned or referred to him for action by the Board."

SEC. 6. Section 5 of the Railway Labor Act is amended to read as follows:

#### "FUNCTIONS OF BOARD OF MEDIATION

"SEC. 5. First. The parties, or either party, to a dispute between an employee or group of employees and a carrier may invoke the services of the Board of Mediation in any of the following cases:

"(a) A dispute concerning changes in rates of pay, rules, or working conditions not adjusted by the parties in conference.

"(b) Any other dispute not referable to the National Board of Adjustment and not adjusted in conference between the parties or where conferences are refused.

"The Board of Mediation may proffer its services in case any labor dispute is found by it to exist at any time.

"In either event the said Board shall promptly put itself in communication with the parties to such controversy, and shall use its best efforts, by mediation, to bring them to agreement. If such efforts to bring about an amicable settlement through mediation shall be unsuccessful, the said Board shall at once endeavor as its final required action (except as provided in paragraph third of this section and in section 10 of this Act) to induce the parties to submit their controversy to arbitration, in accordance with the provisions of this Act.

"If arbitration at the request of the Board shall be refused by one or both parties, the Board shall at once notify both parties in writing that its mediatory efforts have failed and for 30 days thereafter, unless in the intervening period the parties agree to arbitration, or an emergency board shall be created under section 10 of this act, no change shall be made in the rates of pay, rules, or working conditions or established practices in effect prior to the time the dispute arose.

"Second. In any case in which a controversy arises over the meaning or the application of any agreement reached through mediation under the provisions of this act, either party to the said agreement, or both, may apply to the Board of Mediation for an interpretation of the meaning or application of such agreement. The said Board shall upon receipt of such request notify the parties to the controversy, and after a hearing of both sides give its interpretation within 30 days.

"Third. The Board of Mediation shall have the following duties with respect to the arbitration of disputes under section 7 of this act:

"(a) On failure of the arbitrators named by the parties to agree on the remaining arbitrator or arbitrators within the time set by section 7 of this Act, it shall be the duty of the Board of Mediation to name such remaining arbitrator or arbitrators. It shall be the duty of the Board in naming such arbitrator or arbitrators to appoint only those whom the Board shall deem wholly disinterested in the controversy to be arbitrated and impartial and without bias as between the parties to such arbitration. Should, however, the Board name an arbitrator or arbitrators not so disinterested and impartial, then, upon proper investigation and presentation of the facts, the Board shall promptly remove such arbitrator.

"If an arbitrator named by the Board of Mediation, in accordance with the provisions of this Act, shall be removed by such Board as provided by this Act, or if such an arbitrator refuses or is unable to serve, it shall be the duty of the Board of Mediation, promptly, to select another arbitrator, in the same manner as provided in this act for an original appointment by the Board of Mediation.

"(b) Any member of the Board of Mediation is authorized to take the acknowledgment of an agreement to arbitrate under this act. When so acknowledged, or when acknowledged by the parties before a notary public or the clerk of a district court or a circuit court of appeals of the United States, such agreement to arbitrate shall be delivered to a member of said Board or transmitted to said Board, to be filed in its office.

"(c) When an agreement to arbitrate has been filed with the Board of Mediation, or with one of its members, as provided by this section, and when the said Board has been furnished the names of the arbitrators chosen by the parties to the controversy, it shall be the duty of the Board to cause a notice in writing to be served upon said arbitrators, notifying them of their appointment, requesting them to meet promptly to name the remaining arbitrator or arbitrators necessary to complete the Board of Arbitration, and advising them of the period within which, as provided by the agreement to arbitrate, they are empowered to name such arbitrator or arbitrators.

"(d) Either party to an arbitration desiring the reconvening of a board of arbitration to pass upon any controversy arising over the meaning or application of an award may so notify the Board of Mediation in writing, stating in such notice the question or questions to be submitted to such reconvened Board. The Board of Mediation shall thereupon promptly communicate with the members of the Board of Arbitration, or a subcommittee of such Board appointed for such purpose pursuant to a provision in the agreement to arbitrate, and arrange for the reconvening of said Board of Arbitration or subcommittee, and shall notify the respective parties to the controversy of the time and place at which the Board, or the subcommittee, will meet for hearings upon the matters in controversy to be submitted to it. No evidence other than that contained in the record filed with the original award shall be received or considered by such reconvened Board or subcommittee, except such evidence as may be necessary to illustrate the interpretations suggested by the parties. If any member of the original Board is unable or unwilling to serve on such reconvened Board or subcommittee thereof, another arbitrator shall be named in the same manner and with the same powers and duties as such original arbitrator.

"(e) Within 60 days after the enactment of this amendatory act every carrier shall file with the Board of Mediation a copy of each contract with its employees in effect on the 1st day of April 1934, covering rates of pay, rules, and working conditions. If no contract with any craft or class of its employees has been entered into, the carrier shall file with the Board of Mediation a statement of that fact, including also a statement of the rates of pay, rules, and working conditions applicable in dealing with such craft or class. When any new contract is executed or change is made in an existing contract with any class or craft of its employees covering rates of pay, rules, or working conditions, or in those rates of pay, rules, and working conditions of employees not covered by contract, the carrier shall file the same with the Board of Mediation within 30 days after such new contract or change in existing contract has been executed or rates of pay, rules, and working conditions have been made effective."

Sec. 7. Section 6 of the Railway Labor Act is amended to read as follows:

"Sec. 6. Carriers and representatives of the employees shall give at least 30 days' written notice of an intended change in agreements affecting rates of pay, rules, or working conditions, and the time and place for the beginning of conference between the representatives of the parties interested in such intended changes shall be agreed upon within 10 days after the receipt of said notice, and said time shall be within the 30 days provided in the notice. In every case where such notice of intended change has been given, or conferences are being held with reference thereto, or the services of the Board of Mediation have been requested by either party, or said Board has proffered its services, rates of pay, rules, or working conditions shall not be altered by the carrier until the controversy has been finally acted upon, as required by section 5 of this act, by the Board of Mediation, unless a period of 10 days has elapsed after termination of conferences without request for or proffer of the services of the Board of Mediation."

Sec. 8. If any section, subsection, sentence, clause, or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

The SPEAKER. Is a second demanded?

Mr. SNELL. Mr. Speaker, I think there should be some explanation of the bill, and I shall demand a second in order that we may know what is in the bill.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SNELL. I do not know whether I am or not, Mr. Speaker.

Mr. MERRITT. I am opposed to the bill, Mr. Speaker, and I demand a second.

The SPEAKER. Will the gentleman vote against the bill?  
Mr. MERRITT. I will.

The SPEAKER. The Chair recognizes the gentleman from Connecticut to demand a second.

By unanimous consent, a second was considered as ordered.

Mr. CROSSER of Ohio. Mr. Speaker, the purpose of this bill is to amend the original Railway Labor Act, passed in 1926. Certain defects in that bill have become evident as a result of the operation of the measure during the last 8 years.

The original Railway Labor Act provided for establishment of adjustment boards consisting of members nominated by the railroads and by the employees in equal numbers to consider grievances. The fact is that in a great many instances they have been unable to reach any decision and have become deadlocked because there was no provision for a neutral member to break such a deadlock.

We provide in this bill a new plan for adjusting grievances. There is to be an adjustment board consisting of 36 men, 18 men to be nominated by the railroads and 18 by the employees. This board of 36 men is to be divided into 4 divisions, 3 of 10 members each and the fourth of 6 members. Each of these divisions is required to take up the particular grievances which may come within its jurisdiction in accordance with the terms of the bill. If the board is unable to reach an agreement in regard to the grievance in question, then the members are required to endeavor to agree upon a neutral person to be called a referee to break the deadlock. If, however, the members of the adjustment board division are unable to reach an agreement as to the appointment of a neutral person, then the United States Board of Mediation is required by the bill to nominate a referee. There will be, therefore, absolute certainty of decision in all cases whereas heretofore such has not been the case.

We believe that this is a great step in the right direction. We feel that it will do much toward the establishment of industrial peace on the railroads of the United States.

It is significant, it seems to me, that we have a greater degree of industrial peace and harmony in the railroad industry than in any of the other industries of the country. This is due in large measure to the fact that we have had in operation for the last 8 years the Railway Labor Act of 1926, defective as it is.

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

Mr. CROSSER of Ohio. For a very brief question; yes.

Mr. SABATH. This bill attempts to make the act of 1926 workable and effective; is not that about all?

Mr. CROSSER of Ohio. That is it. All this bill does is to make the act of 1926 more workable.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for a moment?

Mr. CROSSER of Ohio. Yes.

Mr. BANKHEAD. I received some little protest from some short-line railroads in Alabama. I do not know whether the other Members have received this complaint or not. They are fearful of the operation of this bill upon their employees, because of their limited finances, and so forth, but Mr. Eastman, the Coordinator of Railroads, when he was before the Rules Committee, explained that in the set-up and operation of the present bill there had been no difficulty whatever in adjusting these matters upon the short-line railroads, because the regular standard unions recognized, in a large measure, the necessity of the employees of these short-line railroads making their individual agreements with these lines. Is this the gentleman's understanding?

Mr. CROSSER of Ohio. The gentleman is correct; and I am sure that the Coordinator is right in what he says.

In addition to the features I have discussed the bill clarifies the provisions in the existing Railway Labor Act by making it perfectly clear what kind of unions are not permitted under the law. Men may organize as they see fit, but the bill prohibits the railroads from paying the expenses of any union from company funds, to maintain, aid, or

control labor organizations. The bill does not permit railroads to pay the salaries of the employees as officers of company- or corporation-controlled unions. It gives employees the absolute freedom to establish unions of employees of a company if they so desire, provided that such union is not supported or controlled by the company.

Mr. MARTIN of Colorado. They are prohibited from maintaining company unions.

Mr. CROSSER of Ohio. The bill prohibits railroad companies from deducting dues from men's wages to support so-called "unions" which the railways themselves have organized and fostered. It stops that, and it should stop it.

The bill when enacted into law will do much to establish industrial peace in this country. It provides for an appeal to reason rather than to force. It gives every man employed by railroads an opportunity to be heard by an impartial tribunal. It will set a precedent for labor of every kind in the United States for the establishment of the correct method to be pursued for the establishment of peace in industry. [Applause.]

Mr. MERRITT. Mr. Speaker, it is rather a difficult position for a man to stand up here alone and express opposition to bills which so many able men favor, but I have to this bill primarily the same objection I have to the bill just passed, namely, that it seems to reach the point of absurdity for the House to pass a bill of such importance on so little debate and with so little information.

The bill, as has been explained, amends the Railroad Labor Act of 1926. That labor act was enacted with the consent and cooperation of all the railroads and the railroad organizations and has worked extremely well. I think it safe to say that there has never been a time when there has been so much peace and cooperation between the railroads and their employees as during the last 8 years, since this railway act has been in operation. The reason is because there has been cooperation in the administration of the act. All sides have been consulted, and all sides agreed to the principles in the bill. This bill violates to a very considerable extent the underlying principles of that bill, because it involves a certain amount of force and coercion which does not tend to peace.

Another thing that the bill does which I think is extremely important is that it interferes with the liberty of a very large percentage of the employees, because it militates against what are called "company unions." Some of the great railroads are now operating peacefully and successfully under company unions, but this bill is so drawn that that liberty is taken away, because it forces, either directly or indirectly, all the employees into the national unions, and the national unions are apart from and often opposed to the railroads. They have operated very successfully under the existing Labor Act of 1926; but I think anyone who takes the time to study the matter carefully will see that this bill that we are proposing to pass will foment objections and litigation instead of quieting them.

I ask gentlemen to read carefully, if they will, the extracts in the minority report which I have made from a letter from Mr. Eastman, who is the Railroad Coordinator and who knows more about the operation of the Railway Act than any other man. He says, among other things:

The proposed amendments which Mr. Farquarson undertakes to defend are designed to protect certain so-called "percentage contracts", which his brotherhood has with some of the railroads. These contracts are so out of harmony with the whole spirit of railroad labor relations, as contemplated by the Railway Labor Act, the Bankruptcy Act, and the Emergency Railroad Transportation Act, that I am frankly astonished by the persistency with which these amendments are urged. In my testimony before your committee I pointed out that they are designed to permit the so-called "standard organizations" to enter into contracts or agreements with the carriers which are prohibited in the case of company unions.

That, you will see, is covered by the fifth paragraph, page 7 of the bill, which provides:

5. No carrier, its officers, or agents shall require any person seeking employment to sign any contract or agreement promising to join or not to join a company union; and if any such contract has been enforced prior to the effective date of this act, then

such carrier shall notify the employees by an appropriate order that such contract has been discarded and is no longer binding on them in any way.

But they are not prohibited from requiring them to join a national union. Then as to the formation of the adjustment boards, the bill provides in paragraph (c), page 12, section 3:

(c) The national labor organizations, as defined in paragraph (a) of this section, acting each through the chief executive or other medium designated by the organization or association thereof, shall prescribe the rules under which the labor members of the adjustment board shall be selected.

That is, you give the national unions full power to select the labor members of the organization board which rules the whole industry, and thus deprive a large percentage of employees of representation.

Mr. RICH. If the National Labor Board is given power to make selection, is it not going to control the situation so that you will have national labor unions, and there will be no permission of any kind granted for the employees, if they desire, to have company unions?

Mr. MERRITT. Absolutely.

Mr. SNELL. Is there any additional expense placed on the railroads in connection with this piece of legislation?

Mr. MERRITT. I think not—nothing material, so far as expense goes. But I want you to listen to what the vice president of the New York Central Railroad, who spoke for all the class I railroads, said:

It is clearly obvious, from the presentations and changes that have been made that the proponents of this bill are not satisfied with it.

It is certainly obvious from the testimony of the organizations that they are not in agreement among themselves and are not satisfied with the bill.

The managements of none of the railroads approve of the bill, and no railroad officer with whom I have discussed this bill knows just where it will lead.

It is another case of legislation of which no one, I think, on the committee would say that he knows where it will lead. It is kowtowing to national labor organizations and giving them power to control the situation.

Mr. RICH. If the railroads are not permitted to collect anything from their employees for their own unions, are they supposed to collect funds for the organization of national unions?

Mr. MERRITT. No; I believe the bill prohibits the railroad companies from contributing to any union.

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

Mr. MERRITT. Yes.

Mr. GRISWOLD. If under this bill they are prohibited from joining company unions, the railroads actually save the expense they are now put to in maintaining the company union.

Mr. MERRITT. That is a very small amount.

Mr. GRISWOLD. It amounts to considerable on some systems. Has the gentleman any record of it?

Mr. MERRITT. No.

Mr. GRISWOLD. It shows that it goes into the hundreds of thousands of dollars.

Mr. MERRITT. That is small, compared with the millions involved. I do not think the matter of expense enters into it. The question is as to the operation of the railroads and whether they will be operated in a more friendly spirit as between the railroads and their employees. My view is that this bill is not in the interest of labor or in the interest of the railroads, and, therefore, I think it should not be passed without much more consideration than we are giving it.

Mr. GRISWOLD. In relation to these percentage contracts of which the gentleman spoke, was there any objection from the railroad management or the employees before the gentleman's committee?

Mr. MERRITT. Yes; these percentage contracts apply only to yardmen now.

Mr. GRISWOLD. I understand that, but the management of the roads that now hold these contracts do not object?



Mr. MERRITT. They do not object to existing contracts, no.

The SPEAKER. The time of the gentleman from Connecticut [Mr. MERRITT] has expired.

Mr. MERRITT. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, we are passing in a few minutes, within less than 2 hours, two bills of great interest, importance, and benefit to railroad employees. They come up in the closing hours of the session when there seems to be no other way to pass them except to do it promptly and without very much debate. Under the circumstances, some of us have to forego the privilege of entering into any very extensive discussion of the legislation.

Personally, I wish to express myself in favor of both pieces of legislation, the retirement legislation and this bill to amend the Labor Act, and in some respects the emergency railroad law which created the Coordinator of Railroads. I think that society and industry must provide, in their old age, for those who have spent their time and energies in industry during their active lives. I feel that this retirement legislation is equitable and that the bill reported by the House committee is very conservative. As the gentleman from California [Mr. LEA] stated, it is concededly somewhat experimental, but it is a step in the right direction. I want to go on record as favoring it.

The purpose of the pending bill is simply to amend and make more workable the act creating the Board of Mediation and the labor provisions in the emergency railroad law. It seems to me some people are overestimating some features of this bill. The bill does prohibit so-called "company unions" as defined in the bill, but the definition of a company union in the bill is one that is organized at the suggestion or with the aid of the company. I do not think any disinterested person favors such a company union or thinks that it serves any good purpose; but this bill does not, in terms, prevent the employees from forming a company union if they do it of their own volition and independent of help from the company.

One other provision of this bill is to provide by law for the appointment of a neutral referee on adjustment boards. Under existing law the representatives of the carriers and representatives of the employees act as adjustment boards; but for the most part they come to a head-on whenever there is a real dispute between them in those cases where the interested parties have named representatives, and they are more and more ceasing to appoint even their own representatives. There is no provision for the selection of a neutral referee under existing law. This bill provides for the appointment of such neutral referee so that there can be an actual decision when disputes arise between carriers and employees.

Those two provisions, as I understand the bill, are the main and fundamental provisions in the bill now before us. As I said in the beginning, it is largely for the purpose of making existing law workable that this bill is now before the House. [Applause.]

The SPEAKER. The time of the gentleman from Michigan [Mr. MAPES] has expired.

Mr. CROSSER of Ohio. Mr. Speaker, I yield to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, the Rules Committee, on my motion, reported out House Resolution 437 for the consideration of this measure. We were glad to present the bill to the House. We had two hearings, at one of which Mr. Eastman appeared and testified at length.

My prime purpose in rising at this time is to point out what I consider a serious defect in the bill, and which I hope will be corrected on the other side of the Capitol or in conference.

Section fifth, on page 7 of the bill, prohibits employers from compelling the employees to agree not to join or to join a company union; but there is no provision here that the railroad employer cannot compel an employee to agree not to join one of the 21 standard unions. That language as it now stands would permit "yellow dog" contracts, as far as the standard labor organizations are con-

cerned. Mr. Eastman agreed with us as to that. He admitted that was an oversight and a defect in the bill, and that some language ought to be put in there so that the employer could not compel the employee, by agreement, not to join any union, whether it is a company union or a regular labor organization.

Mr. MONAGHAN of Montana. Will the gentleman yield? Mr. O'CONNOR. I yield.

Mr. MONAGHAN of Montana. I believe the gentleman's objection has been answered by the provision in the bill on page 6, line 20, which reads:

No carrier, its officers, or agents, shall deny or in any way question the right of its employees to join the labor organization of their choice.

Mr. O'CONNOR. I do not believe that language meets the situation, and I hope it will be taken care of by an amendment to section 5.

Mr. COLE. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. COLE. Since this bill was reported out by the committee Mr. Eastman has confirmed, by letter to me, his hope that the very language pointed out on page 7 will be changed so as to conform with the language in the Senate bill.

Mr. O'CONNOR. And to meet the objection I raised?

Mr. COLE. Yes.

Mr. MERRITT. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, there is nothing so necessary as to provide principles and procedure by reason of which the employer and employee can meet together to confer when differences arise. The railroad industry has been the pioneer in this matter as well as in the recognition of many other worth-while principles of employment. Since 1888 there has been some method or other provided by which railroad employees and management could meet together and confer. Each succeeding law has sought to correct the deficiencies or weaknesses of the one preceding. This act before the House today seeks to correct the weaknesses that have been found to exist in the present Railway Labor Act. Both management and men recognize there are situations and conditions that have developed, at one time or another, in the administration of the act that should be remedied by amendment. This bill seeks to do so.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. COOPER of Ohio. There has been a great deal said today about company unions. I wish the gentleman from New Jersey [Mr. WOLVERTON] would please read the definition of "company unions" as we have it in the bill, so that the House will know just what it is.

Mr. WOLVERTON. I shall be pleased to comply with the request of the gentleman, because I think the use of the term "company union" is greatly misunderstood.

"Company union" is defined on page 4 of this bill, as follows:

Sixth. The term "company union" means any group or association of employees formed for the purpose of collective bargaining, whether or not same shall be formally organized, which was so formed at the suggestion, with the aid, or under the influence of any carrier, or its or their officers or agents, and/or whose constitution, bylaws, or actions are under any control or influence of any carrier, or carriers, or its or their officers or agents.

It is that kind of union which this bill seeks to outlaw. [Applause.]

In this connection I think the Membership of the House should also observe the language on page 6 of the bill, reading as follows:

Fourth. Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purpose of making or revising agreements concerning rates of pay, rules, and working conditions. No carrier, its officers or agents, shall deny or in any way question the right of its employees to join the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of employees—

And so forth.

The limited time at my disposal prevents my reading the section in full.

The general purposes sought to be attained by this legislation are as follows:

First. To avoid any interruption to commerce or to the operation of any carrier engaged therein.

Second. To forbid any limitation upon freedom of association among employees or any denial, as a condition of employment or otherwise, of the right of employees to join a labor organization of their own choosing.

Third. To provide for the complete independence of carriers and of employees in the matter of self-organization to carry out the purpose of this act.

Fourth. To provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules, or working conditions.

Fifth. To provide for the prompt and orderly settlement of all disputes growing out of grievances or out of the interpretation or application of agreements covering rates of pay, rules, or working conditions.

I regret exceedingly that the limitation of time allotted under the rules of the House prevent my discussing the provisions of this bill as fully as I should like to do. However, I do wish to emphasize the fact in connection with this proposed legislation for settlement of disputes in the railroad industry, as I did earlier today when advocating favorable consideration of the railroad pension or retirement bill, then before the House, namely, that the railroad industry, management, and men has shown the way to the enactment of legislation to avoid industrial strife and provide in its stead industrial peace. I sincerely hope that the same cooperative spirit that has been shown by railroad management and men in their common endeavor to provide equitable and just principles and a practical procedure for conferences when differences unfortunately arise will be contagious in other industries and that like beneficial results may be attained.

The heavy loss to industry and the company, inconvenience to the public and distress to the employee and his family when transportation suspends its activities, impels us to give favorable consideration to legislation such as this which has within it the hope and the purpose to avoid disruption or suspension of transportation facilities in the event that any disagreement should arise in the future, and to provide an orderly and just settlement thereof. I shall vote for the bill in the hope and with the expectation that it will do that very thing. [Applause.]

[Here the gavel fell.]

Mr. MERRITT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I feel that the bill previously passed granting pensions to retired employees constituted good general legislation; but I cannot see why we should have singled out the railroads at this time when they are having a \$13,000,000 deficit, to impose upon them laws which cannot be carried out unless the railroads increase their tariffs to take care of the pensions therein granted. We should see to it that this relief be granted to the railroads so they can raise this \$60,000,000 needed. We must not wreck the railroads or all their employees will lose their jobs.

With reference to the present bill and company unions, I feel that if the employees are not under duress of any kind, the company union is a good union; for the average employer is interested in the welfare of his employees as much as are the unions under the domination of the American Federation of Labor interested in their membership.

The thing that is needed in industry today is cooperation under the Golden Rule. Men interested in doing the right thing are just as much interested in unions fostered under their own roof as they are in those ruled by men in other cities under the American Federation of Labor. I think the average employer today is more vitally interested in the welfare of his own employees than in that of any employees in the whole world; and it is right that he should be. Now, if this be the case, why should we in any way foster unions that are under the domination and control of men who are

going over the country trying to create trouble—the trouble we are having now in the strikes all over the land. Who is responsible for them? Do the men want to strike? Do men insist that they do strike?

I think section 7 of the N.R.A. Act is carried out pretty much in this bill. I think a great deal of the trouble we have today in the United States is due to the extent to which organization of employees is being fostered or forced on employees against their will. What we need in industry today is the spirit of brotherly love. Given this we will get along a whole lot better than we will by trying to regulate too rapidly. Kill industry and you have no jobs for anyone. Remember, that business is just about as sick as the man that does not have a job. Kill industry and you kill the job. You destroy rather than build, you retard progress rather than assist it. I believe this legislation should have been considered more thoroughly rather than with such haste. It would have been better.

[Here the gavel fell.]

Mr. CROSSER of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Speaker, this is salutary labor legislation and constitutes the first act of the Seventy-third Congress looking toward a satisfactory settlement of labor disputes. Heretofore railroads could not agree with the unions upon the personnel of a board of mediation to determine their several differences. Consequently, the act of 1926 was ineffective and inoperative as a positive means of satisfactorily adjusting their labor disputes. A method is provided by the present bill so that all disputes may be settled peaceably, and labor will not be compelled to strike to enforce its claims. This act is a solution of a hitherto perplexing problem.

Permit me to mention a very great and beneficial provision of the bill. It allows of conferences by the railroad employee with his immediate superiors without loss to the employee for the time consumed in discussing differences arising out of the employment. The employee will be paid his wages while he is so engaged just the same as if he was doing his regular work assigned to him. Of course, if an appeal is taken and extraordinary expenses are made necessary, it then becomes a matter beyond the purview of this bill, and such expenditures would devolve ordinarily upon his union. In this regard the prosecution of claims may in some instances depend upon the financial condition of the unions, whether they be standard or company union, and the company union will no longer be dominated by the railroad by express provision of this bill. But the treasury of the union may play an important part in the settlement of disputes. One union may be stronger financially than another. Unions have various ways of raising funds for their treasury. For instance, if you will read the hearings held on this bill you will find in the record a certificate which is of no small significance. It is not a certificate issued by a standard union. It does, however, bear part of the name of one of the great railroad systems of the country. The certificate is in the nature of a lottery ticket, the first prize of which is \$40,000, with drawings each month in every State of the Union. The treasury receiving the proceeds of this lottery must be in a very advantageous position. I mention this because it is pertinent and is further evidence of the part the lottery plays in the lives and practices of our people.

The facts and circumstances surrounding this legislation show the necessity and importance of this bill whilst proving also the necessity and importance of the passage of my bill for a legalized federally conducted lottery for public benefit. [Applause.]

[Here the gavel fell.]

Mr. CROSSER of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, the action of the House today has taken a heavy load from my mind, a load that has been growing daily, with the approach of the end of the session, the thought that Congress might adjourn without taking any action whatever on a number of im-

portant labor bills, especially railway labor bills pending here.

The three most important of these bills, in my opinion, are the pension bill, the adjustment of disputes bill, and the 6-hour day bill. I want to congratulate the Committee on Interstate and Foreign Commerce, and particularly the gentleman from Ohio, the veteran BOB CROSSER, [applause] on the fact that one of these bills, the pension bill, has just been passed and that another of them, the disputes bill, is about to be passed, and both under his pilotage. These are two of the three most important railway labor bills before Congress in the estimation of the great army of the country's railroad employees.

The passage of two such important labor measures today is a complete answer to the charges which have been made frequently on the other side of the aisle since the adoption of the rule to expedite the business of the House and suppress the minority filibuster which was intended to disrupt and block the majority program, that that rule was designed primarily to sidetrack labor and farm legislation. I undertake to say that not in the history of Congress have two such important labor measures been passed at a single sitting of the House. Nothing could more clearly indicate the attitude of the administration and of the Democratic majority in Congress toward labor than the passage this morning of these two great measures, to create a universal pension system for all railway employees and to amicably adjust all railway disputes.

Mr. Speaker, I cannot undertake to go into the details of the pension bill. There is some dispute as between the amount of the retirement annuities carried in the Crosser bill, H.R. 9911, which has replaced the Crosser bill, H.R. 9596, and the retirement annuities in the Senate bill 3231, known as the "Hatfield-Wagner bill", which passed the Senate yesterday. I shall only say here that in all its main features and principles the Crosser bill and the Hatfield-Wagner bill correspond, and that both of these bills represent a compromise agreement between all groups of railway employees in the United States, a large number of whom were formerly supporting a materially different method of creating and maintaining the retirement fund. All now agree on the bill passed by the Senate yesterday and the House bill now under consideration, except some differences over the annuity rates and the contribution rates, which may be ironed out in conference.

The supreme importance of this bill is that it is the first recognition by the Congress of the United States of a pension system for employees in private employment. It is only the forerunner of a universal pension system for the aged employees of industry. Rome was not built in a day. I look for the next Congress to pass a general pension bill. The man or woman who serves society in industry is just as much entitled to be provided for when his earning days are over as the man or woman in the service of the Government. If our civilization is to be worth preserving, the principle must be recognized and made effective that the workers in the vineyard in the heat of the day are entitled to the enjoyment of its fruits when the night is come, when man works no more. If poverty cannot be eliminated from the land, at least the poorhouse can.

Mr. Speaker, I wish I had time to properly answer the gentleman from New York on the company-union proposition. The company union goes out under this bill, and it ought to go out. The company union is a fairly recent growth in the railway service, a growth enforced by many railway companies. It is potent of unrest in railway employment. The gentleman from New York pointed out that, while under the language of the bill, railway companies may not promote or influence the organization of company unions, yet the employees themselves may organize such unions. I want to stake my reputation as a prophet on the proposition that no group of railway employees in the United States will voluntarily maintain any such sham organizations. The removal of employer compulsion would sound the death knell of the company union, not only in

the railway service but in all industries. That is the reason we should have the Wagner disputes bill, which applies to all industry. Workers who have not the right to form their own organizations, absolutely free from employer dictation, and collectively bargain with the employer through representatives of their own choosing, are not free men. The reversal of the situation would prove the case. Suppose the directors and management of the employer were to be selected, dictated to, or influenced by the employees in just the same manner and to the same extent as the company union is selected, dictated to, or influenced by the employer. Would anyone claim that such an employer management primarily represented the interests of the employer?

Mr. Speaker, when a man consistently holds the same views regarding a proposition throughout a long and varied lifetime, when his convictions have rested upon the same sheet anchor for 50 years, whether digging ditches or in Congress, whether in politics or out of politics, that proposition is a verity so far as he is concerned. Since my earliest manhood I have believed not only in the right but in the necessity of the self-organization of labor and of collective bargaining with the employer to fix the conditions of labor, and that recognition of this right would be to the ultimate benefit also of the employer and of society. With the growth of industry, this need has grown. Today, without organization there is nothing. In the scale of industry, the unorganized employee weighs exactly nothing. He has no rights; if he has rights, he has no power to enforce them. Industry seeks to combat organizations of labor's own formation with the company union.

I have in my hand and shall insert in my remarks a copy of a letter written by me to the Coordinator of Transportation showing how the company union is established and maintained, and the answer of the Coordinator showing that the conditions complained of in my letter are not peculiar to the railway company in question. If this were an isolated instance, it would perhaps not justify an act of Congress, but it is not an isolated incident. It is merely illustrative of a growing abuse, which, if not eliminated by law, will be eliminated in some other and less agreeable way.

My letter shows that I knew it would not be the first complaint to reach the Coordinator. I knew because of an early apprenticeship in the ranks of labor and a life of contact with it. In my younger days I followed for several years an occupation for which I had considerable aptitude, because it called for what was known in the language of the rail as "a strong back and a weak head", the manipulation of the butt end of a scoop shovel on the hurricane deck of a locomotive. That experience, plus several years in other branches of the railway service and a fellowship ever since maintained with the men in the ranks, qualifies me to apprehend some things without a diagram. But let us be on with the letters.

PUEBLO, COLO., November 18, 1933.

HON. JOSEPH B. EASTMAN,  
Coordinator of Transportation,  
Washington, D.C.

MY DEAR MR. EASTMAN: I have been consulted by shop employees of the Denver & Rio Grande Western Railroad Co. at Pueblo, who make complaint with respect to the action of the company in requiring compulsory membership in and exclusive recognition of a company union known as the "Association of Mechanical Crafts, Helpers, and Apprentices."

It is alleged that \$1 per month is deducted from the pay of all shop employees as involuntary membership dues; that the association does not represent the interest of the employees; that election of officers of the association is so controlled and manipulated as to secure a personnel located at Salt Lake City, which is favorable to the company rather than the employees; and that if the employees were given a free choice of expression, free from fear of loss of employment, they would reject the company union.

Many of these men belong to the American Federation of Labor, and many of those in Pueblo are affiliated with an organization of municipal employees engaged in a somewhat similar class of work.

A company union is, of course, a sham, intended to prevent and not facilitate free collective bargaining between employer and employee.

These men thought they might have to resort to court action, but I assume the Coordinator of Transportation has already had to contact with the same or similar conditions and I advised them to await a reply from you. They should not have to go to court

in order to secure the rights and the protection afforded them by the Transportation Act of 1933. It is, therefore, respectfully suggested that you cause this situation to be inquired into and remedied if possible.

Very respectfully,

JOHN A. MARTIN,  
Member of Congress.

FEDERAL COORDINATOR OF TRANSPORTATION,  
Washington, D.C., November 23, 1933.

HON. JOHN A. MARTIN, M.C.,  
Pueblo, Colo.

MY DEAR MR. MARTIN: I have your letter of November 18 relative to complaints made by shop-craft employees of the Denver & Rio Grande Western Railroad Co. at Pueblo, Colo., concerning the activities of this company in regard to the membership of its employees in so-called "company unions."

You are correct in your assumption that I have already had to cope with similar complaints from employees on other railroads. At the present time the practices being indulged in by the railroad companies in connection with the maintenance of company unions are being made the subject of an extensive investigation. The results of this investigation, I believe, will indicate the action I shall have to take to bring about discontinuance of improper practices by the railroads in respect to the maintenance of company unions.

I am glad to have your views in connection with this matter and shall give them careful consideration along with the other material on this general situation.

Very truly yours,

JOSEPH B. EASTMAN,  
Coordinator of Transportation.

Referring to a paragraph in my letter that—

A company union is, of course, a sham, intended to prevent and not facilitate free collective bargaining between employer and employee—

I shall take the liberty to quote a paragraph of equal brevity, but equally comprehensive, from a letter written by the Coordinator of Transportation to the Chairman of the Committee on Interstate and Foreign Commerce on June 7, 1934, and found in the minority report against this bill. Surely, the Republican minority which objects to the bill on the ground that "it provides for no representation for employees on the National Adjustment Board except those employees belonging to the so-called 'national organizations'", and "in other ways there is an unfair and indefensible distinction drawn between so-called 'standard organizations', and other legitimate labor organizations", cannot get much comfort from the paragraph I shall quote from the letter of the Coordinator.

Aside from the standard organizations, there are no railroad labor organizations except the company unions.

How they are sponsored and controlled is shown in the letter of the Coordinator to Chairman RAYBURN. The Coordinator says:

Long experience has shown that whenever management is put into position to assist in the control of membership in a labor organization, it will find ways to control the policy and practices of that organization.

And when management controls the policies and practices of a labor organization, it is a labor organization in name only. It is what I called it in my letter to the Coordinator—a sham. This bill will put an end to them. This bill will complement the Railway Labor Act of 1926 and effectuate the labor provisions of the Transportation Act of 1933. It will create instrumentalities for a peaceful adjustment of disputes in the railway service, and Congress may go home with the knowledge that it has done its full duty to insure peace in the railway world.

(Here the gavel fell.)

Mr. CROSSER of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Speaker, this bill sets up an orderly procedure for the settlement of grievances and disputes that arise upon the railroads of the country. It augments and supplements existing law; in one instance it writes into permanent law what has already been written into emergency law. It is good legislation and in my judgment should receive the approval of Congress.

I want to take a moment to express the thanks of the railroadmen of this country, and also of those Members of Congress who are in sympathy with this legislation, to the splendid gentleman from Ohio [Mr. CROSSER], who has given

so liberally of his time and talent during this session of Congress, and who has given it at a time when he has not enjoyed the best of health. He worked like a Trojan in order to bring out legislation that would in some way bring comfort and peace of mind to the men and women who work upon the railroads of the country. They owe him a debt of gratitude. His loyalty to their cause has never wavered and they never have had a better friend and advocate than our beloved colleague, BOB CROSSER. His service will never be forgotten by the million and more workers employed in the great transportation systems of these United States.

The bill, in many respects, is analogous to the Wagner Labor Disputes Act. It will establish a National Board of Adjustment to settle railroad labor disputes. The Board of Adjustment will be composed of 42 members, half representing the carriers, and half the employees. The Board will be divided into several divisions, each division hearing a special type of problem. The employees will be represented by a member chosen from each of the major railroad organizations. A majority vote of the members of any division of the Board, hearing a dispute, shall settle the case. In the event of a deadlock, the Board of Adjustment may name an arbitrator to hear the case. If no referee can be decided upon, they may apply to the Board of Mediation to choose a referee, who will sit in on the discussion.

The bill carefully defines the functions of the Board of Mediation, leaving to that body only the final word in case a decision cannot be reached by the Board of Adjustment. The Board of Mediation, as now set up, has been unsatisfactory because there are no teeth in its operations. Under this bill, the carrier who fails to comply with the provisions of the act shall be subject to a fine of \$1,000 to \$20,000.

The bill amends the Railway Labor Act passed in 1926. The original act was drawn up on the assumption that the railroad companies intended to cooperate with their employees in adjusting disputes, as they professed a desire to do so. In actual practice, however, such cooperation has frequently not been forthcoming. The carriers have refused to set up adjustment boards and often have otherwise blocked the establishment of impartial tribunals to which the workers might bring their complaints. In some cases, they have disregarded the decisions of such boards as have been created.

This bill seeks to correct this weakness in the Railway Labor Act, and to guarantee the workers adequate protection.

The measure will also amend the act to prohibit "yellow dog" contracts, and will make it illegal for a railroad company to coerce employees into joining or remaining members of a company union. A similar provision was inserted in the Emergency Railroad Transportation Act passed last spring, but this will write it into a permanent statute. This legislation is highly desirable at the present time, and it merits the hearty support of all who are interested in improving American labor conditions.

Mr. CROSSER of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Indiana [Mr. GRISWOLD].

Mr. GRISWOLD. Mr. Speaker, I want to extend to the gentleman from Ohio [Mr. CROSSER], chairman of the subcommittee that brought out this bill, my sincere appreciation of his efforts. Getting this bill before the House in its closing days is proof of his tireless work and interest in legislation beneficial to humanity as a whole and the railroad worker in particular. I could not pass this occasion without adding a word of commendation for the efforts of my colleague from Indiana [Mr. PETTENGILL], who is also a member of that subcommittee and who worked conscientiously and hard to harmonize the discordant factions and bring out a bill that would be agreeable to all. In view of the stamp of approval of the 21 standard railroad labor organizations on this bill and on the particular features of this bill dealing with the right to contract and make percentage agreements, as well as the fact that the gentleman from Connecticut [Mr. MERRITT] admitted under questioning a few moments ago that he had no record before his committee of any disapproval by the managements of the railroads to these percentage contracts, I was extremely

surprised when he opposed them. I think that he lacks an adequate understanding of these contracts; and, while he says that he feels that this legislation may foment trouble between the employer and employee, he argues inconsistently against these very percentage clauses because the proof is that these contracts are now in existence on 23 class I railroads, and some of them have been in effect for 20 years, and that after 20 years of experience neither the employees nor the managements came before his committee to protest the writing into this bill of the provision covering these percentage-clause contracts. If under this bill we are to outlaw the company unions, and it has been stated on the floor of this House that that is the intent, then it becomes a paramount question as to what system we are to set up to replace the company union and provide the machinery for collective bargaining that the intent of this bill is to enforce.

These percentage contracts were mutual agreements to be kept between the employer and employee. The standard railroad labor organizations that entered into these contracts were equally obligated to keep these contracts with the company. If the company is required under these contracts at times of employment to employ members of the organization that holds these contracts likewise is the organization required to protect the company by providing the men to keep the property operating in times when labor is scarce. And one of the reasons that the managements have never protested to the committee in all these hearings against percentage contracts is because the men who carry memberships in these organizations are efficient, competent, qualified physically and mentally and through experience to carry on the work for which they are employed. I can see no reason why the gentleman from Connecticut should protest against these provisions which he terms the "Farquarson amendments", when those most vitally interested, both the labor organizations and the managements of the properties where these contracts are in effect, have not seen fit to protest or disapprove these provisions. Not to place in this bill the so-called "Farquarson amendments" would be to foment the very trouble referred to by the gentleman from Connecticut, because it would disturb the peaceful, harmonious status quo existing between the employer and these employees who are members of a standard railroad labor organization. I hope the House will see fit to pass this bill with the so-called "Farquarson amendments" in it. These amendments have nothing to do with any man joining the organization of his choice, but they are necessary to protect agreements the men have entered into with their employer after they have organized in keeping with the spirit of the law. And these railroad employees are just as anxious to keep their obligation to their employers as are any other class of men. These percentage contracts are entirely in keeping with all the other labor legislation and regulation that has recently been adopted. It is simply applying to railroad labor the same regulations that the Labor Board of the N.R.A. has seen fit to apply to other industries. It has been applied by the N.R.A. in its code adopted for the transit industry. It has been most severely applied in the N.R.A. code for the bituminous-coal industry, and it has been applied in the recently enacted trucking code.

Turning to the contention of some that this legislation opens the door to allow "yellow dog" contracts on the railroads, it is my opinion that the officers of the 21 standard railroad labor organizations with years of experience with "yellow dog" contracts are more competent to determine whether this legislation opens the door to allow "yellow dog" contracts than is Mr. Eastman. The 21 standard railroad labor organizations are entirely satisfied with this bill as it is written, and I am willing to take their opinion on this matter of "yellow dog" contracts in preference to the opinion of others who have not been fighting these contracts for the past half century.

I hope this legislation passes this House unanimously. It is not all that I desire for the benefit of the railroads, the employees, or the public. There is much other legislation

that should be enacted, and if we expect prosperity to return to the railroads and if we expect prosperity to return to the hundreds of thousands of employees of railroads throughout this country, then we must have additional legislation. I, for one, shall continue to exert every effort in my power to obtain this additional legislation. H.R. 9861 is a start, a step in the right direction. There is a Chinese proverb which reads: "A thousand-mile journey begins with one step." In this legislation we have taken that step. Let us now go on with the journey.

[Here the gavel fell.]

Mr. CROSSER of Ohio. Mr. Speaker, I yield one-half minute to the gentleman from Maryland [Mr. COLE].

Mr. COLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the correspondence I have had with Mr. Eastman on the company-union phase of this matter in order that the House might have clearly before it, in view of the present situation which does not permit amendments to be offered, Mr. Eastman's objection to the use of the words "company union" in line 12, page 7, fifth paragraph, under General Duties, and making that part of the bill in agreement with the language of the Senate bill on the subject, and also other perfecting amendments which Mr. Eastman deems important.

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

There was no objection.

The matter referred to follows:

FEDERAL COORDINATOR OF TRANSPORTATION,  
Washington, June 11, 1934.

HON. WILLIAM P. COLE, JR.,

House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: In reply to your letter of June 9 I beg to say that I cannot urge too strongly a revision of House bill 9861 in the following particulars:

Page 4, lines 4 to 11, eliminate paragraph numbered sixth. A definition of the term "company union" will be entirely unnecessary if the amendments which I recommend below are made.

Page 4, line 12, renumber "seventh" to read "sixth."

Page 4, line 16, renumber "eighth" to read "seventh."

Page 6, line 25, and page 7, lines 1 to 5, eliminate, including the word "contributions" on line 6, and substitute therefor language taken from House bill 9689 following:

"in maintaining or assisting or contributing to any labor organization, labor representative, or other agency of collective bargaining, or in performing any work therefor, or to influence or coerce employees in an effort to induce them to join or remain or not to join or remain members of any labor organization, or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to labor organizations, or to collect or to assist in the collection of any such dues, fees, assessments, or other contributions;"

Page 7, line 12, eliminate the words "company union" and insert in lieu thereof "labor organization."

I consider the above amendments to H.R. 9861 to be vital, for the principles of the bill are sound and should be applied to all labor organizations. There is no good reason for confining any of them to so-called "company unions."

I also favor the amendments of section 4 of the Railway Labor Act that are proposed in H.R. 9689, covering the National Mediation Board. That, however, is a question of policy for Congress to determine. It is my thought that the continuance of a board of five members is unnecessary, in view of the work the board will have to perform under the amended act. For the reasons stated in my support of H.R. 9689 I believe in the smaller board as more effective as well as more economical.

Page 30, line 10, section 8, first sentence, is unnecessary, because the separability provisions are already found in section 11 of the Railway Labor Act. The last sentence reads:

"All acts or parts of acts inconsistent with the provisions of this act are hereby repealed."

Apparently the thought behind this sentence is that the paragraphs heretofore referred to dealing with company unions, and which I believe should be amended, are inconsistent, as they undoubtedly are, with existing provisions of the Bankruptcy Act and the Emergency Railroad Transportation Act, 1933.

Very truly yours,

JOSEPH B. EASTMAN.

Mr. CROSSER of Ohio. Mr. Speaker, I yield one-half minute to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Speaker, I wish I had the time to reply at length to the point made by the gentleman from New York [Mr. O'CONNOR]. In this act there is a special statutory definition given to company unions. It is a union under the control and domination of the employer. That is the

only kind of company union this act militates against or seeks to discourage.

Mr. CROSSER of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN of Montana. Mr. Speaker, the suggestion has been made here that the company unions are established by companies that are very benevolent toward their employees. No matter how benevolent they may be toward their employees, they would resent with all their might any proposal that the employees select a board of directors for their corporation. It is equally illogical to suggest that the employer have the right to select the board of directors of the employees, and that is what this bill is trying to eliminate.

This bill guarantees to the employee the right to organize and join unions of his own choosing, with a view to asserting himself as to hours, conditions, and wages. It is asking only the American privilege of liberty from coercion, whether that coercion be economic or the coercion which we have known in the days of slavery. We speak about interference with the freedom of the employers; but what about the freedom of the employees? The employee is not free to work or not. There are millions of unemployed, and man is not a drudge; therefore he should have freedom to bargain collectively. The proposal before us today will do a great deal toward setting an example for other industries, and should set an example for a labor-disputes act which might well lead the way to peace in industry, rather than riots and strikes which we are having throughout the country. I hope this bill will be passed unanimously today.

Mr. CROSSER of Ohio. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, when strikes are threatened, and when many of them are going on, I trust that we may keep peace and harmony in the great transportation industry. I believe that this bill will do as much as or more than anything that has been proposed to bring about that happy circumstance. Therefore, I trust that there will not be a vote in the House against this bill that I believe is fair to both employer and employee. [Applause.]

The SPEAKER. All time has expired. The question is on the motion of the gentleman from Ohio to suspend the rules and pass the bill.

Two-thirds having voted in favor thereof, the rules were suspended and the bill as amended was passed.

A motion to reconsider was laid on the table.

Mr. CROSSER of Ohio. Mr. Speaker, I ask that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

Mr. BANKHEAD. Mr. Speaker, it will be recalled that the Committee on Rules granted a rule for the consideration of this bill which will not now be required. I therefore move to lay House Resolution No. 437 on the table.

The motion was agreed to.

EXTENSION OF REMARKS—S. 3231

Mr. GLOVER. Mr. Speaker, we have before us now H.R. 9911, which is a bill to provide for retirement system for railroad employees and thereby to provide relief and for other purposes.

This legislation is demanded by the railroad employees who have had much discussion over the question and insofar as we are informed, have come to practically a unanimous agreement on this bill.

Our President in his message to Congress a few days ago outlined the principle that is involved in this bill. When this bill shall have passed and the companion bill to it, which is H.R. 9861, a bill to amend the Railway Labor Act, approved May 2, 1926, and to provide for the prompt disposition of disputes between carriers and their employees—and I hope to see them passed today without a single vote against either of them—I think we shall have made a forward step toward absolute justice for the great number of men that have been employed in railroad labor in the United States. Many of them have for the greater part of

their lives devoted their entire time and attention to railroad work, which has been so helpful in developing the great system of railways in this country, and will soon retire. This bill simply provides that when they do retire they will not be retired in penury and want.

From the discussion that has taken place on these two bills in the committees, and from the sentiment expressed on the floor of this House by many of us in the past, I do not believe there will be any substantial opposition to either of these propositions.

There is one other bill pending for railroad employees that I would be delighted to see pass at this Congress, and that is the one seeking to limit the length of trains. I heard a part of the testimony before the committee considering a bill along this line during this session, which developed the fact that on some railroads trains are being run that are over a mile in length. This, of course, is in the first place dangerous both to lives and property. If an emergency should arise, with a train of this great length and of high speed, it becomes wholly impossible to stop or avert a great disaster.

Not only that, but when this bill has passed, and the trains are, say, shortened by half, and made up with two crews, it will provide for more employment of labor and will be better for both the laborers and the railroad companies. If this bill is not passed in this session, which is now drawing to a close, I hope to see it passed in the session when Congress meets again in January.

There are other classes of railroad legislation for railroad employees I should like to discuss, but as time is so limited I will not discuss them further.

Mr. GRISWOLD. Mr. Speaker, I am for this railroad pension bill. There is other railroad legislation that is essential from the standpoint of the public, the employees, and the management.

The bill introduced by me limiting the length of trains to 70 cars, or one-half mile is, in my opinion, one of the most essential pieces of legislation that could be passed. It would mean safety for the traveling public. It would mean that there would be removed forever the menace of death and injury that hangs like a black shroud over every man employed in train service who works on one of these trains that are so long that no air-brake equipment has yet been invented that can safely and adequately control them. It would bring to the shipper more rapid transportation and would mean that his goods would arrive in shape to be opened by him instead of opened long before reaching him by the jar and jam of these long trains. It would mean a saving of inestimable millions of hours that are lost each year to gainful and producing employment by those who wait at grade crossings for the passing of these almost unending trains, often because of their weight and length moving at a snail's pace. This enormous loss of time to American business cannot be estimated. This lost time probably amounts to much more than the combined time of all working employees of all railroads. It is an utter disregard of the time of the public by the carriers.

But the 21 standard railroad labor organizations, the President of the United States, and in some cases the management of the railroads lent their support to this pension bill and the amendments to the Railway Labor Act instead of the train limit bill. And both of these pieces of legislation are good bills. Both are essential and I shall vote for them.

Some complaint has been made that this railroad-pension legislation is going to cost the railroads of the United States more money at a time when the railroads are hard up. Ninety percent of all the class I railroad mileage in the United States is now covered by pension systems similar to this so the increase in cost to that 90 percent cannot be much. Even should it increase the cost slightly it cannot increase the cost in anything like a comparable degree to what the railroads are costing you and I as taxpayers and members of this great public every year. As I have stated on the floor of the House a number of times, we have given to the class I railroads in the past 24 months one and a

quarter billion dollars from the public chest. This does not include the money derived by them from freight and passenger rates paid by the individual passenger and shipper.

The greater part of this went immediately into the hands of the money lenders on Wall Street. If by this legislation we return some of that money to the public use through pensions to the employees we have done a service to humanity. It will be one of the few cases where the public ever got any returns from Wall Street.

I am not one of those willing to call this a pension law. It is not a pension. It is labor insurance. By its provisions a class of men who work in the most dangerous occupation in America are provided for when they are thrown onto the industrial scrap heap. Men who have given a lifetime of service to the transportation systems of this Nation are by this legislation assured of a meager compensation in their declining days.

For decades the railroad owners of this Nation have been forgetful of the rights of the public, forgetful of the rights of the shipper and passenger, and forgetful of the rights of labor. They have been operated not from their general offices but from the back room of a financial institution in New York or Chicago or Pittsburgh. The railroads for the past quarter of a century have operated on the theory that Wall Street is a one-way street running the way of the bankers and brokers. I am willing for it to be a one-way street, but I want it to run the way of the public.

The Nation is fortunate to have today in the White House a man who is willing to recognize some of the rights of the public and employees in these railroads. A President of the United States who is willing to endeavor to force the railroads to give service to the public as well as collect a dole from the public. A President who realizes the fact that human rights are entitled to at least an equal consideration with dollar rights.

This legislation is the result of long study. It is the result of conscientious tireless effort through many sessions of Congress to overcome opposition. It has been a hard fight. The representatives of all the 21 standard railroad labor organizations have been active in this fight. The representatives of the Brotherhood of Locomotive Firemen and Enginemen and the representatives of the Brotherhood of Railroad Trainmen were especially active in its behalf.

I hope the House today will, by its action under suspension of the rules, pass H.R. 9911 and reward these men for their labor in its behalf. That it will at the same time go on record as being the first Congress in the United States to recognize and put into effect the principle that old age arrived at through long years of service in the transportation systems is a commendable status that is entitled to the edict "well done." That as a result of this legislation these old employees may sit by their firesides in the evening assured of the next day's food and warmth. I hope and I have a firm faith that this bill will not only pass by the two-thirds' majority required under suspension of the rules but that it will pass without a single opposition vote.

Mr. LARRABEE. Mr. Speaker, H.R. 9911, reported by the Committee on Interstate and Foreign Commerce, will provide a retirement system for railroad employees, and thereby provides unemployment relief, which is of vital importance at this time to all employees of the national railroad communications and transportation system. I am hopeful that it will have complete support of this House and that its enactment into law will result within a few days.

This bill, as I understand it, will establish a railroad retirement pension system for all carriers subject to the Railway Labor Act, and also employees of such carriers. Under provisions of this bill all carriers are to be treated together as one employer and all railroad employees as employees of one employer.

The vital provision of this bill, the old-age pension or annuity, is to be based upon the wages and length of service of employees on all such railroads with specified, statutory, maximum limits. Payments will be provided with funds cre-

ated through the joint contributions of the railroads and the railroad employees.

The authors of this bill, in their wisdom, have provided for a brief period known as "the experience period" during which ample opportunity will be given for collecting information, conducting investigations, and making other necessary studies. This then will serve as the foundation upon which specific action can be taken and assures the adequacy and permanency of the retirement system provided by this bill, and further makes it possible to provide adequate retirement benefits to aged or disabled railroad employees.

The fact that retirement under pension of any number of older employees will immediately create vacancies into which many railroad workers now unemployed will fit has been given careful consideration in the passage of this measure. This feature is one of most vital importance as a measure contributing an important part to national recovery.

In reporting this bill the committee also pointed out that employment of younger and more vigorous men will tend to promote to a great extent efficiency and safety in interstate transportation. The committee further reports that records show that there is now some form of retirement pension plan upon 90 percent of the railroad mileage in the United States. The committee says, however, that such plans are not now by any means satisfactory either to the railroads or to the railroad employees. In most parts the pensions now provided are inadequate and the cost to the railroads is mounting considerably year by year. The bill H.R. 9911 provides the possibility of determining from actual experience such fundamentals as are necessary to the construction of a sound reserve plan.

Under present pension systems railroad employees retired from service because of infirmities of age or other disabilities receive pensions in most cases insufficient to provide for the comforts of life which years of honest, faithful, and efficient toil and service should assure to them.

Proper action contemplated of the board will have the effect of transferring the cost of age-retirement pensions which railroads are now paying under their present pension plans to the plan provided in this bill. Railroad employees will contribute a portion of their wages to make possible more adequate retirement, annuity, or pensions, and to provide the assurance that funds will always be available to pay such pensions at the time retirement from active service is forced upon them. These contributions, combined with the contributions of railroads, will doubtless provide adequate funds to meet the obligations and promises of the act without undue burden on either party to the plan.

Full assurance for the safekeeping of these funds is given in the provision making the Treasury of the United States the depository for the retirement treasury. As these funds are all provided by contributions from employee and employer, no burden of any nature is placed upon the Public Treasury, and no drain is attached to the taxpayers. This bill provides that the amount of pension or annuity is to be 2 percent on the first \$50, 1½ percent on the second \$50, and 1 percent on compensation in excess of \$100 per month of the basic wage of the employee multiplied by the number of years of service not to exceed 30 years. Annuities may amount to as much as \$100 per month under provisions of this bill. Pensions are to be payable from and after the age of 65 years, or upon completion of 30 years of service, but retirement is to be compulsory at the age of 65 years with a provision for an agreement by the employee and the railroad to extend the employment from year to year, but not beyond the age of 70. Compulsory retirement at the age of 65 shall not apply to officials or carriers until 5 years after the action takes effect.

If the pension payments begin before the age of 65 upon completion of 30 years of service, the maximum pension payment is reduced one-fifteenth of the annuity of each year the employee is less than 65 years of age when the pension payments are begun.

Thus at the age of 60 the maximum pension is two-thirds, and at the age of 55 it is one-third of the pension payable at the age of 65.

The present bill provides no pension payable below the age of 51.

Protection in this feature is provided the employee, however, by the section of the law which mandates that the reduction in the maximum shall not apply where the employee is retired by the railroad for any mental or physical disability.

Upon death of an employee before or after receiving a pension an amount equal at his death to his payments into the fund and interest, less any pension payments received, is to be paid as a death benefit to beneficiaries or to his estate. In all cases the payments by the employee will be returned with interest either as a pension or as a payment to his beneficiary or estate on his death.

It has been thoroughly demonstrated that without a satisfactory retirement system, aged railroad employees are often continued in service when it would be in the interest of economical operation and safety to both the carrier and the traveler, and also to fellow employees, to retire and pay them pension at satisfactory rates. Thus the pension will result both in benefit to the carriers and serve to assure to aged employees the satisfaction and the safety of a well-earned reward which has been paid for by years of devotion to the service.

I am glad to assure the House and the employees in railroad service my complete support and cooperation in the passage of this valuable measure of legislation.

Mr. LOZIER. Mr. Speaker, I favor the enactment of S. 3231, to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes. This measure, known as the "Senate or Hatfield-Wagner bill", is to all intents and purposes the same as the Crosser bill, H.R. 9596.

When the Senate bill reached the House it was referred to the Committee on Interstate and Foreign Commerce, which committee struck out all of the Senate bill except the enacting clause and substituted the Crosser bill, H.R. 9596.

There is a Nation-wide sentiment in favor of enacting this legislation. It is sound, economical, and embodies a wholesome public policy. Five hundred corporations, including 50 railroads, have already adopted systems of industrial unemployment and retirement insurance. These transportation and industrial corporations have found from experience that unemployment or retirement insurance, if properly safeguarded and wisely administered, is beneficial to both employer and employee.

Every year great industrial, commercial, and transportation concerns are turning more and more toward a system of retirement or unemployment insurance.

The benefits that have accrued to some of the railroads by the voluntary adoption of this principle of unemployment and retirement insurance justifies the application of the formula to all railroads, to be observed as an established policy in the future by all transportation concerns.

Until the board shall determine on a different percentage, the retirement fund will be created as follows:

The employee will contribute 2 percent of his salary or wages annually, and the railroads will contribute twice that sum, or 4 percent of each employee's annual salary or wages.

In this connection, may I say that much credit for the enactment of this legislation is due my colleagues, the gentleman from Ohio [Mr. CROSSER] and the gentleman from Illinois [Mr. KELLER]. Both have labored assiduously to establish a pension or retirement system applicable to railroads and their employees.

While this measure is not perfect, I believe it is workable and worth while. If its administration discloses defects, they can be easily remedied by subsequent legislation.

Mr. PLUMLEY. Mr. Speaker, I am going to vote for S. 3231, although I do so with some mental reservations and serious doubts or misgivings as to fundamental concepts involved in respect to all legislation of this character so far as the functions of the Federal Government therewith appertain thereto.

However, it seems to me that under existing conditions special legislation with reference to the provisions for a

retirement system for railroad employees is the only way that these deserving public servants can be taken care of.

Vermonters know that I am opposed to paternalism in government. I am firmly of the opinion that there should be no further usurpation of the reserved rights and powers of the States by the Federal Government, and just as firmly convinced that further surrender of rights or evasion of the responsibilities that are theirs by the States should be vigorously resisted and opposed.

Now the Federal Government undertakes to regulate interstate commerce and to dictate policies and to exercise a semigovernmental control of the railroads and their employees. I am opposed, in times of peace at any rate, to governmental ownership, operation, and control of the railroads. I go further than that, but not at this time do I care to discuss it. Here, however, a situation exists and obtains for which those covered by the provisions of this act and who will benefit thereby are not to be held responsible. They should not be penalized therefor.

Their faithfulness to the cause of the public and the fact of their quasi governmental status, a status beyond their control, does not justify our depriving them of industrial old-age retirement advantages. Under the act an assurance of a comfortable old age as the reward for years of devoted service to the public is assured. They are entitled to it. There can be no question as to the general desirability for some such solution of our social problem, but in my judgment it is a matter in which the States and not the Federal Government should act.

It is the Federal angle of the situation that bothers me most, but I am going to vote for the bill because, in my judgment, justice is done thereby, and can only be reached and attained under existing circumstances in some such way.

I do wish to say, however, that some years ago the late distinguished Senator from Vermont, the Honorable Frank Greene, said on the floor of the United States Senate:

One of these days this country is going to wake up to the sober realization that for a long time back the legislative signboards have been misleading and that America has actually left the straight and narrow path that the fathers laid out for it, and left it long ago, and is on the broad highway to all the ills of bureaucracy and the corruption that goes with it that those very same fathers fled from Europe to escape.

He was opposed to the measure then under consideration because in his opinion it invoked a wrong theory and principle of civics or governmental policy, in that it would cause the Federal Government to do for its individual citizens that which they ought to do for themselves, or at least through their own voluntary and nonpolitical associations. "It is paternalism", said he, "the most subtle and sinister enemy of popular government."

I believe Senator Greene was absolutely right. In my judgment, he did not make his warning sufficiently startling or loud enough. What he said about "paternalism" might well have been said about the attempt of the Federal Government to invade the rights of and to assume the prerogatives of the States with respect to inheritance taxes and other rights reserved to the States at the time of the adoption of the Federal Constitution. When I say that I am opposed to paternalism in government and against the further extension of the grasping hand of the Federal Government I am announcing no new conviction, neither am I telling any news to most of you with respect to my position in regard to these matters, concerning which I have oftentimes gone publicly on record.

My legislative experience in Vermont covers a period of exactly a third of a century. During that time it has been my privilege to hear the ablest men of this State and of this country discuss matters of Federal and State policy, in the form of concrete measures. I have heard both sides of about every question discussed that concerns the body politic.

I remember the arguments, both for and against these measures, and have lived long enough to see how absolutely false were some of the premises; how incorrect the conclusions; how great the variation between theory and practice;



how wide the gap between the promise and its fulfillment. Out of this experience has come the very strong conviction that whatever history may teach with respect to the beneficent effects of paternalism and centralization in other countries and under other forms of government, we of the United States of America must oppose the further extension of both, must rely for the perpetuity of our institutions upon the functioning of the local governmental unit; for if experience teaches us anything, we must already have learned that John Fiske spoke truly when he said that—

The preservation of local self-government is of the highest importance for the maintenance of a rich and powerful national life.

I believe that the Government should be for and by the people, and the nearer it is kept to and of the people the better government we will have.

In proportion as government recedes from the people they become liable to abuse—

Says Governor Cass; and, according to David Starr Jordan—

The end of government by the people is to fit the people to control their own affairs.

This Government is built upon the principle that the locality is better qualified and better disposed to protect the citizen in the enjoyment of his essential rights and to serve him in all matters of social welfare than the State or Nation. John Sharpe Williams once said:

We hear a great deal about the horrors of war, but greater than these—in fact, the greatest of all horrors—is the murder of local self-government, the only possible field of development for individual manhood.

Said H. J. Laski:

We cannot realize the full benefit of democratic government unless we begin by the admission that all problems are not central problems and that the results of problems not central in their incidence require decision at the place, and by the persons, where and by whom the incidence is most deeply felt.

Government to be stable must be founded on the interest which the citizens take therein. Over and over again it has been truly said that of all the means of political education none perhaps has been so effective in creating an interest in republican institutions as well as in calling forth the intelligence necessary for their preservation as the town meeting.

Local assemblies of citizens constitute the strength of free nations.

Said deTocqueville.

Not long ago I heard former Attorney General Sargent quote Thomas Jefferson as saying:

The townships of New England are the vital principle of their governments, and have proved themselves the wisest invention ever devised by the wit of man for the perfect exercise of self-government, and for its preservation.

I contend that paternalism and centralization are more largely responsible than anything else for the manifest disinterestedness of the people in governmental affairs. As a general proposition I insist that the State should do nothing for the town which the town is able to do for itself.

I am not opposed to State advisory and administrative supervision to the end that there may be unanimity of action and cooperation and conformity as between the local units, but am convinced that the surest way to continue to increase the number of nonvoters and disinterested citizens; to decrease the attendance at and to lessen the interest and participation in public affairs is to continue our mistaken policy of centralization, and by so doing to take away from the State and local communities the prerogatives and all the responsibilities as citizens which originally were theirs.

James Bryce says:

Self-government stimulates the interest of people in the affairs of their neighborhood, sustains local political life, educates the citizen in his daily round of civic duty, teaches him that perpetual vigilance and the sacrifice of his own time and labor are the price that must be paid for individual liberty and collective prosperity.

That—

Democracy needs local self-government as its foundation. That is the school in which the citizen acquires the habit of independ-

ent action, learns what is his duty to the State, and learns also how to discharge it.

To maintain vitality in the center without sacrificing it in the parts; to preserve tranquility in the mutual relations of powerful States, while keeping the people everywhere, as far as possible, in direct contact with the Government; such is the political problem which the American Nation exists for the purpose of solving, and is the problem which confronts us squarely today.

Methods may change, but progress is still the watchword; and the Nation still lives in the strength and devotion of citizens whose powers have been developed, whose self-respect has been aroused under the American principle of local self-government.

No method of procedure has ever been devised by which liberty could be divorced from local self-government. No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline—

Says President Calvin Coolidge.

This day is a challenge to us all. There is and can be no turning back. All roads lead up and on.

#### RAILROAD RETIREMENT ACT

Mr. PETERSON. Mr. Speaker, as one who has for years been associated with railroad employees, the son of a conductor, the brother of a trainman, and brother of a railroad clerk, it is with a great deal of pleasure that I note that our great President and the Congress of the United States are recognizing the problems of those brave, hard-working men who are doing and have done so much in rapidly and safely transporting our persons and goods in the great transportation systems of our Nation.

The railroad man is subject to call at all times—in summer or winter, rain or snow, trains must run—and the employees of the carriers brave the elements in order that we may travel and that we may have fresh food and the comforts of life. A soldier is no more subject to orders than the railroad man. When he completes his run, before he can leave his home, he must be sure how he stands, or get leave of absence, because if he is called and is absent he is subject to discipline or discharge. Not only are the railroad men subject to the conditions which I have just outlined, but they are engaged in a hazardous occupation, constantly in danger. In order to render the best service they must of necessity be men of high caliber and a great deal of intelligence. The passenger sleeps comfortably, without anxiety, while the train on which he rides dashes at high speed through the night, through gorges and around mountains, across bridges, and through tunnels. He does not know the engineer, the conductor, the fireman, the brakeman, or the other members of the crew, but he does know that they are sober, keen eyed, alert, for the purpose of protecting the train and the passengers thereon.

When those in the northland are able to get the freshest fruit and vegetables in the dead of winter it is only through the efficient service of the employees of the carriers that transport, without damage, these fruits and vegetables across the continent.

Uncomplaining and cheerful, year in and year out, these knights of the rail, aided by their coworkers who issue and transmit the orders, who make up the trains, who keep the tracks and the equipment, carry on the great transportation systems of the Nation, hoping that near the end of life they may be able to live in reasonable comfort, but oftentimes having injuries, illness, and misfortune overtake them. Nothing is more pitiful than to see one who has devoted the best years of his life in the service of the carriers of this Nation and then be left without means by reason of some misfortune. I have long hoped for and advocated a permanent railroad retirement act, realizing that it will aid materially my friends whom I have loved since childhood, many of whom, when I was working as a call boy, I called to go out on their runs in stormy weather, and their brothers and coworkers throughout the Nation. It will give them a sense of security to which they are entitled. It will likewise enable their declining years to be of comfort. Not only this, but it will enable many to retire and give the younger men coming on a chance to get employment, and it is with a great deal of pleasure that I am informed by my friends, Mr. C. H.

Burns, of Tampa, Fla., a director in the Railroad Employees' National Pension Association, Inc., and Capt. W. E. Kite, of Miami, secretary and treasurer of the Florida legislative committee, Order of Railroad Conductors, both of whom have been actively associated in this association, as well as many members of the railroad brotherhoods, of the merits of the bill before us. It is probably not exactly all we should like to have it, yet it embodies the great principle of a permanent railroad retirement system and is a victory for those who have so long sponsored such an act. It will be of material benefit. Its purposes being specifically stated:

For the purpose of providing adequately for the satisfactory requirement of aged employees and promoting efficiency and safety in interstate transportation, and to make possible greater employment opportunity and more rapid advancement of employees in the service of carriers, there is hereby established a railroad retirement system; and it is made the duty of all carriers and employees subject to this act to perform and fulfill the obligations imposed thereby. This act shall be administered and construed with the intent and to the purpose of providing the greatest practicable amount of relief from unemployment and the greatest possible use of resources available for said purpose and for the payment of annuities for the relief of superannuated employees.

It is indeed a great pleasure to cast my vote for the act.

At this time, I want again to pay a tribute to the great services rendered by the employees of the carriers throughout the country, and to my colleague and friend, the gentleman from Ohio, Hon. ROBERT CROSSER, who has been so loyal in his representation of the principles involved, and who has followed this bill so closely and actively.

#### INDIAN SELF-GOVERNMENT

Mr. HOWARD. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes, as amended.

The Clerk read the bill as follows:

*Be it enacted, etc.,* That hereafter no land of any Indian reservation, created or set apart by treaty or agreement with the Indians, act of Congress, Executive order, purchase, or otherwise, shall be allotted in severalty to any Indian.

Sec. 2. The existing periods of trust placed upon any Indian lands and any restriction on alienation thereof are hereby extended and continued until otherwise directed by Congress. The authority of the Secretary of the Interior to issue patents in fee or certificates of competency, or otherwise to remove the restrictions on lands allotted to individual Indians under any law or treaty, is hereby revoked: *Provided*, That the provisions of this act shall not apply to prevent the removal of restrictions on lands of members of the Five Civilized Tribes or operate to change the present laws and procedure relating to the guardianship of minor and incompetent members of the Osage and Five Civilized Tribes, but in all other respects shall apply to such Indians.

Sec. 3. The Secretary of the Interior is hereby authorized and directed to restore to tribal ownership the remaining surplus lands of any Indian reservation heretofore opened, or authorized to be opened, to sale, or any other form of disposal by Presidential proclamation, or by any of the public-land laws of the United States: *Provided, however*, That valid rights or claims of any persons to any lands so withdrawn existing on the date of the withdrawal shall not be affected by this act: *Provided further*, That the order of the Department of the Interior signed, dated, and approved by Hon. Ray Lyman Wilbur, as Secretary of the Interior, on October 28, 1932, temporarily withdrawing lands of the Papago Indian Reservation in Arizona from all forms of mineral entry or claim under the public land mining laws, is hereby revoked and rescinded, and the lands of the said Papago Indian Reservation are hereby restored to exploration and location, under the existing mining laws of the United States, in accordance with the express terms and provisions declared and set forth in the Executive orders establishing said Papago Indian Reservation: *Provided further*, That water developed by the mine operator from underground flow on a mining or mill-site claim shall be the property of the claim owner: *Provided further*, That damages shall be paid to the Papago Tribe for loss of any improvements on any land located for mining in such a sum as may be determined by the Secretary of the Interior but not to exceed the cost of said improvements: *Provided further*, That a yearly rental not to exceed 5 cents per acre shall be paid to the Papago Tribe for loss of the use or occupancy of any land withdrawn by the requirements of mining operations, and payments derived from damages or rentals shall be deposited in the Treasury of the United States to the credit of the Papago Tribe: *Provided further*, That in the event any person or persons, partnership, corporation, or association desires a mineral patent, according to the mining laws of the United States, he or they shall first deposit in the Treasury of the United States to the credit of the Papago Tribe the sum of \$1 per acre in lieu of annual rental, as here-

inbefore provided, to compensate for the loss or occupancy of the lands withdrawn by the requirements of mining operations: *Provided further*, That patentee shall also pay into the Treasury of the United States to the credit of the Papago Tribe damages for the loss of improvements not heretofore paid in such a sum as may be determined by the Secretary of the Interior, but not to exceed the cost thereof; the payment of \$1 per acre for surface use to be refunded to patentee in the event that patent is not acquired.

Nothing herein contained shall restrict the granting or use of permits for easements or rights-of-way; or ingress or egress over the lands for all proper and lawful purposes; and nothing contained herein, except as expressly provided, shall be construed as authority for the Secretary of the Interior, or any other person, to issue or promulgate a rule or regulation in conflict with the Executive order of February 1, 1917, creating the Papago Indian Reservation in Arizona or the act of February 21, 1931 (46 Stat. 1202).

Sec. 4. Except as herein provided, no sale, devise, gift, exchange, or other transfer of restricted Indian lands or of shares in the assets of any Indian tribe or corporation organized hereunder shall be made or approved: *Provided, however*, That such lands or interests may, with the approval of the Secretary of the Interior, be sold, devised, or otherwise transferred to the Indian tribe in which the lands are located or from which the shares were derived or to a successor corporation; and in all instances such lands or interests shall descend or be devised, in accordance with the then existing laws of the State, or Federal laws where applicable, in which said lands are located or in which the subject matter of the corporation is located, to any member of such tribe or of such corporation or any heirs of such member: *Provided further*, That the Secretary of the Interior may authorize voluntary exchanges of lands of equal value and the voluntary exchange of shares of equal value whenever such exchange, in his judgment, is expedient and beneficial for or compatible with the proper consolidation of Indian lands and for the benefit of the cooperative purposes herein contained: *Provided further*, That nothing herein shall apply to any unrestricted Indian lands held by any Indian: *And provided further*, That any competent Indian owning restricted Indian allotted lands shall have the right to dispose of the same in accordance with existing law unless such Indian shall have waived that right by a written instrument duly signed and acknowledged by him. The Secretary of the Interior shall have power to determine whether any such Indian is competent within the meaning of this paragraph: *Provided further, however*, That nothing in this section shall be construed to change the law of descent and distribution of the State of Oklahoma, the method of determining heirs, the approval of the sale of interest of full-blood heirs, or the partitioning of lands under the laws of Oklahoma, except that the Secretary of the Interior may have the preference right of purchase of any such Indian lands sold at partition sale, for the use of Indians as provided in section 5 hereof.

Sec. 5. The Secretary of the Interior is hereby authorized, in his discretion, to acquire through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights or surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments whether the allottee be living or deceased, for the purpose of providing land for Indians.

For the acquisition of such lands, interests in lands, water rights, and surface rights, and for expenses incident to such acquisition, there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, a sum not to exceed \$2,000,000 in any one fiscal year: *Provided*, That no part of such funds shall be used to acquire additional land for Indians in Arizona or for the Navajo Indians in New Mexico.

The unexpended balances of any appropriations made pursuant to this section shall remain available until expended.

Title to any lands or rights acquired pursuant to this act shall be taken in the name of the United States in trust for the Indian tribe for which the land is acquired, and such lands or rights shall be exempt from State and local taxation.

Sec. 6. The Secretary of the Interior is directed to make rules and regulations for the operation and management of Indian forestry units on the principle of sustained-yield management, to restrict the number of livestock grazed on Indian range units to the estimated carrying capacity of such ranges, and to promulgate such other rules and regulations as may be necessary to protect the range from deterioration, to prevent soil erosion, to assure full utilization of the range, and like purposes.

The Secretary of the Interior, with the consent of the tribe, is hereby authorized to prescribe rules and regulations under this section to reduce the contract price for Indian stumpage on contracts for the purchase of said stumpage by a maximum of 10 percent, provided the purchaser employs a minimum of 25 percent Indian labor; the Secretary may reduce such contract price by 20 percent if said contractor employs a minimum of 50 percent Indian labor; and such stumpage price may be reduced 30 percent whenever said contractors shall employ 75 percent or more Indian labor in the operation of logging, manufacturing, or selling such timber.

Sec. 7. The Secretary of the Interior is hereby authorized to add lands acquired pursuant to any authority conferred by this act to existing reservations. The jurisdiction of the Federal Government shall extend to Indians under guardianship who become resident on such lands: *Provided*, That lands added to existing reservations shall be designated for the exclusive use of

Indians entitled by enrollment or by tribal membership to residence on such reservations.

Sec. 8. Nothing contained in this act shall be construed to relate to Indian holdings of allotments or homesteads upon the public domain outside of the geographic boundaries of any Indian reservation now existing or established hereafter.

Sec. 9. Any number of members of any recognized Indian tribe, but not less than 10, shall have the right to form Indian chartered corporations to promote their individual and collective economic welfare and the economic welfare of the tribe. Persons wishing to form an Indian chartered corporation shall sign and acknowledge written articles of association, specifying (a) the name of the corporation, its purposes and the general nature of its business and the principal place of transacting the same; (b) the period of its duration, which shall not exceed 30 years unless renewed by the vote of a majority of its members and the order of the Secretary of the Interior; (c) the amount of its capital stock, if any, the number of shares into which it shall be divided and in what manner it shall be paid; *Provided*, That such chartered Indian corporations may be formed without capital stock, and such nonstock corporations shall have the same powers and authority as though organized with capital stock; (d) the highest amount of indebtedness to which the corporation shall at any time be subject; (e) in what governing board its management shall be vested, the date of the annual meeting at which such governing board shall be elected and the manner of its election, and the names and places of residence of those composing such governing board until the first annual meeting of the members of the corporation.

Persons who desire to organize an Indian chartered corporation under the provisions of this section shall submit to the Secretary of the Interior their proposed articles of association for examination and approval. If after such examination the Secretary of the Interior approves of such articles, and of the organization of such corporation and the powers and purposes thereof, he shall endorse such approval upon said articles of association and cause the said articles to be filed in his office, and thereupon such association shall be and become an Indian chartered corporation. Such articles of association may be amended and bylaws adopted under such rules as the Secretary of the Interior may from time to time establish and promulgate.

Such corporation may be organized for the purpose of conducting, and when organized may conduct, any agricultural, mechanical, manufacturing, mining, mercantile, lumbering, fishing, or other lawful business, and shall have power, with the written consent of the Secretary of the Interior, to acquire by lease or purchase such real estate, buildings, equipment, and other personal property as may be required or useful for the conduct of its business; to erect buildings or other structures or facilities upon its own lands or leased grounds; to issue bonds or other evidences of indebtedness and to borrow money to finance its business or to make advances to its members or patrons upon goods and products delivered by such members or patrons to the corporation; to employ legal counsel, and to do and perform every act and thing necessary or proper to the conduct of its business or the accomplishment of the purposes set forth in this section: *Provided*, however, That none of such powers shall be exercised without the written approval of the Secretary of the Interior.

Sec. 10. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary, but not to exceed \$250,000 in any fiscal year, to be expended at the order of the Secretary of the Interior, in defraying the expenses of organizing Indian chartered corporations created under this act.

Sec. 11. There is hereby authorized to be appropriated out of any funds in the Treasury not otherwise appropriated, the sum of \$10,000,000 to be established as a revolving fund from which the Secretary of the Interior, under such rules and regulations as he may prescribe, may make loans to Indian chartered corporations for the purpose of promoting the economic development of such tribes and of their members, and may defray the expenses of administering such loans. Repayment of amounts loaned under this authorization shall be credited to the revolving fund and shall be available for the purposes for which the fund is established. A report shall be made annually to Congress of transactions under this authorization.

Sec. 12. There is hereby authorized to be appropriated, out of any funds in the United States Treasury not otherwise appropriated, a sum not to exceed \$250,000 annually, together with any unexpended balances of previous appropriations made pursuant to this section, for loans to Indians for the payment of tuition and other expenses in recognized vocational and trade schools: *Provided*, That not more than \$50,000 of such sum shall be available for loans to Indian students in high schools and colleges. Such loans shall be reimbursable under rules established by the Commissioner of Indian Affairs.

Sec. 13. The Secretary of the Interior is directed to establish standards of health, age, character, experience, knowledge, and ability for Indians who may be appointed, without regard to civil-service laws, to the various positions maintained, now or hereafter, by the Indian Office, in the administration of functions or services affecting any Indian tribe. Such qualified Indians shall hereafter have the preference to appointment to vacancies in any such positions.

Sec. 14. The provisions of this act shall not apply to any of the Territories, colonies, or insular possessions of the United States, except that sections 9, 10, 11, 12, and 13 shall apply to the Terri-

tory of Alaska: *Provided*, That Sections 2, 4, 7, 9, 17, 18, and 19 of this act shall not apply to the following-named Indian tribes, the members of such Indian tribes, together with members of other tribes affiliated with such named tribes located in the State of Oklahoma, as follows: Cheyenne, Arapaho, Apache, Comanche, Kiowa, Caddo, Delaware, Wichita, Osage, Kaw, Otoe, Tonkawa, Pawnee, Ponca, Shawnee, Ottawa, Quapaw, Seneca, Wyandotte, Iowa, Sac and Fox, Kickapoo, Pottawatomi, Cherokee, Chickasaw, Choctaw, Creek, and Seminole.

Sec. 15. The Secretary of the Interior is hereby directed to continue the allowance of the articles enumerated in section 17 of the Act of March 2, 1889 (23 Stat.L. 894), or their commuted cash value under the Act of June 10, 1896 (29 Stat.L. 334), to all Sioux Indians who would be eligible, but for the provisions of this act, to receive allotments of lands in severalty under section 19 of the Act of May 29, 1908 (35 Stat.L. 451), or under any prior act, and who have the prescribed status of the head of a family or single person over the age of 18 years, and his approval shall be final and conclusive, claims therefor to be paid as formerly from the permanent appropriation made by said section 17 and carried on the books of the Treasury for this purpose. No person shall receive in his own right more than one allowance of the benefits, and application must be made and approved during the lifetime of the allottee or the right shall lapse. Such benefits shall continue to be paid upon such reservation until such time as the lands are available therein for allotment at the time of the passage of this act would have been exhausted by the award to each person receiving such benefits of an allotment of 80 acres of such land.

Sec. 16. Nothing in this act shall be construed to impair or prejudice any claim or suit of any Indian tribe against the United States. It is hereby declared to be the intent of Congress that no expenditures for the benefit of Indians made out of appropriations authorized by this act shall be considered as offsets in any suit brought to recover upon any claim of such Indians against the United States.

Sec. 17. Any Indian tribe residing on a reservation on which at least 40 percent of the original land is still restricted or in tribal status, shall have the right to organize for its common welfare and may adopt an appropriate constitution and bylaws, which shall become effective when ratified by a majority vote of the adult members of the tribe, or of the adult Indians residing on such reservation, as the case may be, at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe, and to elect a tribal business committee under rules and regulations prescribed by the Secretary of the Interior: *Provided*, That such organization may be dissolved in the same manner as formed, or by an act of Congress, and in no other manner.

A duly elected tribal business committee shall, in addition to all powers vested in an Indian tribe or tribal council by existing law, have the right to employ legal counsel, the choice of counsel, and the fixing of fees, to be subject to the approval of the Secretary of the Interior, and the right to represent the tribe in negotiations with the Federal, State, and local authorities.

No sale, disposition, lease, or encumbrance of tribal lands, interests in lands, or other tribal assets shall be made without the consent of the tribe. The Secretary of the Interior shall advise such tribe or its business committee of all appropriation estimates or Federal projects for the benefit of the tribe prior to the submission of such estimates to the Bureau of the Budget and the Congress.

Sec. 18. Upon any Indian reservation of which at least 40 percent of the original land or the subsurface mineral rights thereon is still in restricted or tribal status, the Secretary of the Interior may issue a charter of incorporation to the tribe: *Provided*, That such charter shall not become operative until ratified at a special election by three-fourths of the adult Indians living on the reservation. The articles of incorporation issued to such tribes shall be issued and filed in the manner prescribed by section 9 of this act and shall contain the powers therein set forth. All laws and treaties applicable to a tribe and its members shall continue to apply to any such tribe incorporated under this act, and nothing in this act shall be construed to deprive any tribe, incorporated as herein prescribed, of any right, interest, claim, or title of any nature now vested in such tribe.

Sec. 19. This act shall not apply to any reservation wherein a majority of the adult Indians, voting at a special election duly called by the Secretary of the Interior, shall vote against its application. It shall be the duty of the Secretary of the Interior, within 6 months after the passage and approval of this act, to call such an election, which election shall be held by secret ballot upon 30 days' notice.

Sec. 20. Any official or employee of the United States who shall in any manner, either directly or indirectly, interfere with any tribe or any of its members in the free exercise of the powers conferred by this act, or in relation to any decision or action of said Indian in respect to the exercise of the right of franchise, whether in relation to the provisions of this act or otherwise, shall be guilty of a misdemeanor, and shall, on conviction thereof, be removed from office and be punished by a fine of not more than \$500 or by imprisonment for not more than 6 months, or both.

Sec. 21. The term "Indian" as used in this act shall include all persons of Indian descent who are members of any recognized Indian tribe, and all persons who are descendants of such members who were at the time of the approval of this act actually residing within the present boundaries of any Indian reservation,

and shall further include all other persons of one-fourth or more Indian blood. For the purposes of this act, Eskimos and other aboriginal peoples of the Territory of Alaska shall be considered Indian. The term "tribe" wherever used in this act shall be construed to refer to any Indian tribe, band, nation, or pueblo, or the Indians residing on one reservation.

Amend the title so as to read: "A bill to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes."

Mr. HOWARD (interrupting the reading of the bill). Mr. Speaker, in view of the fact that the Committee on Indian Affairs had 29 different sessions on this bill, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. MOTT. Mr. Speaker, I object. I would like to hear the bill read.

The Clerk concluded the reading of the bill.

The SPEAKER. Is a second demanded?

Mr. CARTER of Wyoming. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman a member of the committee?

Mr. CARTER of Wyoming. No; I am not.

The SPEAKER. Does any member of the committee demand a second? [After a pause.] Is the gentleman from Wyoming opposed to the bill?

Mr. CARTER of Wyoming. I am opposed to the bill.

The SPEAKER. Will the gentleman vote against the bill?

Mr. CARTER of Wyoming. If the Speaker can tell me whether there is going to be a roll call or not I can answer that question—yes; I shall vote against the bill.

The SPEAKER. The gentleman is recognized to demand a second.

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

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

There was no objection.

Mr. HOWARD. Mr. Speaker, I feel I ought to acquaint the membership of the House with the fact that our splendid Committee on Indian Affairs has held no less than 29 different sessions for the consideration of this bill. I feel I should further state that when the bill was finally reported every element of controversy had been eliminated. Manifestly, we cannot speak at length regarding the merits of this legislation, but I am quite sure that every one of the members of my own committee is qualified to answer such questions as those who desire information may submit.

Mr. Speaker, it seems best that in the consideration of this measure, and in order to have it better understood, we should view somewhat the background of the present Indian problem.

Interwoven in that problem is the position of our Government, as guardian, with respect to the Indian, as ward. Bear in mind, please, that the status of ward was not of the Indians' seeking. It was forced upon him by our Government. On its part that relationship should be one of sacred trust. The proper administration of that trust is a matter which is vital to the Indian. As it raises or lowers the Indian in the social and economic scale, and thereby tends to make him self-supporting or a public charge, it is of direct interest to the American taxpayer.

Viewing the results of that guardianship, it is difficult for me to speak dispassionately. I shall not ask my colleagues to examine in detail a certain page of history upon which no American may gaze with feeling of pride. Suffice it to say that it reveals an almost uninterrupted succession of broken treaties and promises, and a record of the ruthless spoliation of defenseless wards. With all the vigor at my command I protest against allowing that shameful and inhuman treatment to continue a day longer without doing all in my power to put an end to it.

A few comparisons may be helpful in understanding the conditions which this bill is designed to correct. In making those comparisons I shall not turn back a single page of history. I shall only return to a period within the memory

of most of us here today, to the year 1887, when the last major Indian policy, the general allotment law, was enacted.

Indian statistics are somewhat incomplete and may not always be entirely accurate, but I believe those I shall now present are approximately correct.

In 1887 our Indian wards numbered 243,000. They owned 137,000,000 acres of land, more than one-third good farming land and a considerable portion valuable timberlands. Today they number about 200,000. Their land holding has shrunk to a mere 47,000,000 acres. Of this remnant only 3,500,000 acres may be classed as farming lands, 8,000,000 acres as timberlands of any value, 16,000,000 acres as good grazing lands, and 19,000,000 acres, almost one-half the Indian land remaining, as desert or semiarid lands of limited use or value.

The average holding of farm land per Indian in 1887 was slightly more than 160 acres, as against an average holding of 17 acres today.

In 1887 there were less than 5,000 landless Indians. Today there are more than 100,000.

In 1887 Indian trust funds, which are administered by the Government, aggregated \$29,000,000. Notwithstanding the subsequent addition of more than \$500,000,000, derived largely from the sale of Indian lands and assets, these funds today amount to but \$13,500,000. A factor in the dissipation of these funds has been their use to pay the salaries of employees, generally whites, in the Indian Service. Although greatly reduced in recent years, the amount so used is still in excess of \$2,000,000 per annum.

In 1887 the average Indian was self-supporting. Today nearly one-half are virtual paupers. The number of such is steadily increasing. A recent survey among typical Indian families by the Indian Office shows the average per capita income to be but \$48 per annum in money and in produce raised and consumed.

The annual death rate among the Indian population in 1887 is given as 18 per thousand. Today it is 26 per thousand, more than twice that of the general population.

These comparisons tell a tragic story. They reveal a lamentable lowering of the social and economic status of the Indian. They show a startling loss of assets and an income diminished to the point where the burden of Indian care is becoming a heavy one upon the local and Federal Governments.

It is not my purpose at this time to dwell upon the responsibility for this sad state of affairs. In all fairness, it may be said that it is due in part to well-intentioned but mistaken policies, and in part to improper administration.

The failure of their governmental guardian to conserve the Indians' lands and assets, and the consequent loss of income or earning power, has been the principal cause of the present plight of the average Indian. The loss of land is primarily due to the Allotment Act of 1887 and the manner in which it has been administered. Often against their wishes allotments were forced upon Indians who were not prepared to manage their property. They have since sold their land or had it sold at tax sale. A large acreage of inherited allotted land has also been lost to the Indians through partition sales. Much so-called "ceded" or "surplus" Indian land has been sold to whites. Immense sums derived from the sale of Indian lands, timber, oil, and minerals have been squandered by the guardians. Whether these funds were disbursed to the Indians in per capita payments or whether they were paid as salaries to Indian Bureau employees, the result is now the same.

The deplorable conditions I have outlined were clearly developed in extensive hearings before the committee over a period of 3 months. Every interested person and organization, and especially the Indians themselves, were given opportunity to express their views. The hearings have been published in nine parts and are now available.

As a result of these hearings, there was general agreement that the present state of Indian affairs is far from satisfactory and that comprehensive legislation dealing with the subject was necessary. However, considerable controversy arose over many features of the original measure. In its desire to do all possible without further delay the commit-

tee, without a dissenting vote, has reported this substitute which embodies the features most urgently required, and eliminates controversial features upon which agreement could not be reached. The title creating a special Federal court of Indian affairs has been eliminated, as have the provisions authorizing the creation of chartered Indian communities. All compulsory features of the original measure have been omitted. Numerous other changes and eliminations have been made to meet objections raised.

While it is not as comprehensive as I personally would wish, this substitute measure contains many provisions which are fundamentals of a plan to enable the Indians generally to become self-supporting and self-respecting American citizens. Those provisions may be summarized as follows: Conservation of Indian lands; creation of a credit system for the Indians; extension of the trust period on Indian lands; organization of tribal councils responsive to the Indians and with authority to speak for them; education, vocational and technical, of the Indians; and admission of qualified Indians to the Indian Service.

Before submitting a more detailed discussion of this bill I desire to call special attention to a few sections which constitute the backbone of the measure.

Section 1 prohibits further allotments. It stops the big hole through which 90,000,000 acres of land have passed from Indian ownership. Note well the fact that those tribes which escaped partition and individual allotment have not lost an acre of land. Among these fortunate tribes are the Menominees of Wisconsin, the Red Lake Chippewas of Minnesota, the Pueblos of New Mexico, the Navajos and the Apaches of Arizona. Would that the Indians of my own State had been as fortunate.

Section 2 endeavors to conserve allotted lands still in Indian ownership by extending the trust period on all restricted lands until Congress shall otherwise direct.

Section 3 returns to tribal possession the remnant of between two and three million acres of the so-called "ceded" or "surplus" Indian lands which have not yet been sold.

Section 4 stops a dangerous leak through which the restricted allotted lands still in Indian ownership pass therefrom. Upon the death of an allottee the number of heirs frequently makes partition of the land impractical, and it must be sold at partition sale, when it generally passes into the hands of whites. This section endeavors to restrict such sales to Indian buyers or to Indian tribes or organizations. It, however, permits the devise of restricted lands to the heirs, whether Indian or not.

Section 5: The sections mentioned are designed to prevent further loss of Indian land. But prevention is not enough. The Indians now landless must be provided for. This section undertakes to do this gradually through an annual appropriation for the purchase of land.

Section 11 provides credit, now denied to the Indian because of his status as ward, to enable him to utilize his land and become fully self-supporting.

Section 13 permits the employment of qualified Indians in their own service, partly paid for from their own funds. The effect of existing requirements which bar them from such employment is grossly unfair.

I have tried to picture the Indian situation and, in a general way, to outline the manner in which this bill proposes to meet that situation. I make my most earnest plea in behalf of this measure. I am sure that a sense of justice and fair dealing will win the approval of this body for the bill, as it has won the approval of our President.

Mr. Speaker, analyzing somewhat more in detail the provisions of this measure, as they constitute a new policy in Indian affairs, let us examine that new policy to see wherein it differs from the old, which has brought disaster to the Indian, and to see how it offers a real hope for a way out of the admittedly evil conditions which confront us.

Reduced to its simplest terms, the present bill would prevent any further loss of Indian lands, would permit the purchase of additional lands for landless Indians, would set up a modern system of Indian agricultural and industrial credit,

would permit Indian tribes or groups to incorporate for business purposes, would give Indian tribes the right to organize tribal councils for the promotion of the common welfare, would establish a special Indian civil service and give to qualified Indians the preference right to appointment in the Indian Service, and would create a loan fund for the vocational and professional training of Indians in order to qualify them for the Indian Service and for other employment.

It would strike a body blow at the twin evils of economic and social disintegration of the Indians. It would stop the sinister liquidation of Indian property and the equally sinister destruction of the Indian character wrought by generations of bureaucratic absolutism. It would give to the Indian at least a modest measure of economic security and economic opportunity. It would take him off the dole, out of the national poorhouse, and set him on the road to earning his own living, on the land, in the sweat of his brow. It would give to him what the white man has fought and died for over the centuries: The right to personal liberty and to a voice in the conduct of his daily life.

These objectives, I am convinced, are in keeping with the spirit of this Congress and this administration. The conduct of Indian affairs by the Federal Government for the past century has been a scandal and a blot on our name in every part of the world. Predatory interests have systematically and continually robbed the Indian of his property; the Government, by law, has supinely permitted this robbery, cloaking it under a sterile and sinister legality that was a travesty of justice and national honor and under a Federal "guardianship" that, with incredible complacency, watched through generations the destruction of the Indian estate and the Indian character.

I propose to discuss in some detail the method and result of this legalized robbery and of the Federal policy that has reduced the Indians to virtual peonage.

The general allotment act of 1887 sought to substitute individual, private ownership of Indian land for tribal ownership. It provided for the parceling of the Indian reservations into small individual allotments and the issuance of trust deeds to all the enrolled members of the tribe. After a period of 25 years of trust ownership, or as soon as he might be declared "competent", the allottee was to receive an unrestricted patent and could then do with the land what he pleased.

In the debates that accompanied the passing of the allotment act, it is clear that the proponents of this measure were convinced that the private ownership of land was the one great step that was needed to civilize the Indians. The mere issuance of a fee patent would give to the Indians pride of ownership, thrift, industry, and the means of self-support; it would break down the tribal status of the Indians and convert them into typical American citizens; it would, they said, solve the Indian problem, and in the course of a single generation relieve the Government of the immense and costly burden of caring for its Indian wards. There were, to be sure, a few farsighted men who predicted that the allotment law would lead to the economic ruin of the Indians, but their voices were lost in the chorus of optimism which accompanied the passage of the allotment act.

It is no longer necessary to indulge in theoretical arguments for or against the allotment idea. The cold fact of what has happened to the Indians and their lands under that act conclusively proves that allotment was a costly tragedy both to the Indians and to the Government. The Indians themselves were not consulted in the passage of this act, and once it was enacted they feared and opposed it. Allotment was literally forced upon them against their wishes both in the adoption of the act and in its subsequent application to the various reservations.

The allotment act, so far from being a means of civilizing the Indians, soon became a perfect tool for the capture of Indian lands. As soon as the Indians had begun to receive their unrestricted patents, they flocked in great numbers to the real-estate agents and the land seekers and parted with their deeds for small sums of ready cash. Or if the original allottee had died before his trust period expired and if he

had numerous heirs, lineal and collateral, as was usually the case, it became necessary to sell the land in order to partition the estate. As if this method of capturing Indian lands were not working fast enough, the Government adopted the further policy of disposing of the so-called "surplus" lands of the allotted reservations. The act of February 8, 1887 (24 Stat. 388), provided the future means for the opening to sale and entry of so-called "surplus" lands left over after all the individual members of the tribe had received allotments.

As I have before stated, the figures on the loss of Indian lands out of Indian ownership in the past 47 years are indeed staggering. Whether or not the original area of the Indian lands was excessive, the land was theirs, under titles guaranteed by treaties and law; and when the Government of the United States set up a land policy which, in effect, became a form of legalized misappropriation of the Indian estate, the Government became morally responsible for the damage that has resulted to the Indians from its faithless guardianship. The land seekers who acquired the Indian lands naturally took the best first, so that which remains is in general the least valuable part of the original Indian estate.

As a result of this system, the allotted Indian reservations are in general riddled by alienations, the extent of the alienation being almost exactly proportionate to the length of time since the original allotment was made. The Indians of many tribes have lost practically every square foot of land they owned. Many reservations have in Indian ownership a mere fragment of the original land, and all the remaining allotted reservations are badly checkerboarded. This process will proceed inexorably on the remaining allotted reservations and, indeed, on the unallotted reservations, for previous experience has shown that the courts can and will force the Government to allot unallotted reservations if even a single Indian demands an allotment.

Even if Indian allottees retain their land after receiving fee patents, the heirship system inevitably leads to the ultimate loss of the land. Even the first generation of heirs is usually so numerous that physical partition of the land is impossible and it must be put on the auction block in order to divide the estate. What little land actually descends to heirs of the first generation will almost inevitably be lost through partition among the second generation. We are thus headed for the complete wiping out of the entire Indian estate unless the system is changed. It is estimated that there are now 7,000,000 acres of Indians lands in the heirship stage; and although further sale has been temporarily suspended by administrative order, the system itself must be changed if we are to give any security to the Indians.

I have said that this system has been not only disastrous to the Indians, but also to the Government as the guardian of the Indians. The Indian lands that were granted by treaty and by act of Congress were not only a satisfaction of Indian claims to ownership of the land they surrendered to the whites, but they were to form the indispensable economic basis for the solution of the Indian problem. It might have been expected that the Government would be assiduous not only in protecting the property of its wards, but in protecting its own interests by preventing the disintegration of the Indian estate. In reality, the policy of the Government has resulted in aiding and abetting the destruction of the trust estate which was ultimately to make the Indians self-supporting and relieve the Government of a great burden of expense.

The Indian administration that has grown out of and about the allotment system has produced a fundamental conflict of purpose that has thwarted the Indian Service itself in undertaking a creative Indian program. In recent years the Indian Service has worked systematically to build up Indian agricultural extension, the Indian health service, hospitalization, education, and various other services. Yet all these elaborate and costly services have been built on the foundation of complete economic disintegration enforced by the allotment system itself. For the administration of the remaining allotted lands there has been built up a fantastic and enormously costly real-estate business which compels the Indian Service to expend an ever greater

share of its appropriations and energy in the sterile and fruitless administration of minutely parcelled tracts. On one reservation, the leasing of the allotted Indian lands to white stock growers involves the obtaining of some 3,000 signatures for the leases at an estimated cost of 50 cents per signature, whereas a lease of tribal lands could be made as a single transaction.

It is in the case of the inherited allotments, however, that the administrative costs become incredible. At the Kiowa and Comanche Agency, for example, the Government expenditure, exclusive of schools, is \$80,000 a year. Of this sum \$65,000 is required for these meaningless and useless real-estate operations, leaving only \$15,000 for agricultural extension, public health, relief, and all other really creative and productive services. The annual expenditure of the Five Civilized Tribes Agency is \$300,000 a year, and all but \$60,000 of this amount goes for this real-estate manipulation and administration of a few hundred Indian estates. In spite of these huge expenditures, which are duplicated and growing on all the allotted reservations, the lands themselves on which these great sums are spent are inexorably passing from Indian ownership. On allotted reservations, numerous cases exist where the shares of each individual heir from lease money may be 1 cent a month. Or one heir may own minute fractional shares in 30 or 40 different allotments. The cost of leasing, bookkeeping, and distributing the proceeds in many cases far exceeds the total income. The Indians and the Indian Service personnel are thus trapped in a meaningless system of minute partition in which all thought of the possible use of land to satisfy human needs is lost in a mathematical haze of bookkeeping.

As the Indian estate has dwindled, Indian poverty and pauperism have increased alarmingly. It is estimated that there are now more than 100,000 landless Indians, a number which will inevitably and rapidly increase as long as the present system operates to deprive them of land and home. These landless Indians, in Nebraska, in the Dakotas, Minnesota, Michigan, Wisconsin, California, Nevada, and many other States, constitute a tragic problem in destitution and an acute problem of social relief which neither the Federal Government nor the States are adequately dealing with.

Indian poverty is reaching an ever lower level. The survey of typical Indian income, which I have previously mentioned briefly, was made during the past winter on reservations in South Dakota, North Dakota, California, Kansas, Montana, and Oklahoma. The average income of \$48 per year mentioned did not include oil and mineral royalties paid to a handful of individuals. This per capita income includes not only wages and lease rentals, but the market value of goods produced or consumed. And this income is higher than it would be in normal years, because of unusually favorable employment opportunities in the numerous emergency projects under way in the Indian country.

This poverty contributes largely to the excessive death rate among the Indians, which, in the case of tuberculosis, a disease closely associated with undernourishment, is more than seven times the death rate from tuberculosis among the whole population.

It has long been held that the Indian policy of the past half century would lead to the rapid assimilation of the Indians into American civic and industrial life. The facts are precisely the opposite. Only a fraction of the Indians have been absorbed into industrial pursuits. The census of 1930 shows only 38,000 Indians engaged in industrial, clerical, trade, and professional pursuits. There is no reason to believe that the Indians, as a class, can or should be absorbed into urban industrial employment. Even supposing that all of the white unemployed will ultimately find employment under the recovery program, I know of no system by which the Indians could be trained and transported to industrial centers to enter industrial work. Any Government program looking to that end would meet insuperable obstacles of cost as well as of resistance on the part of the Indians and of white workers. The economic future of the great majority of the Indians is, for the immediate present and for some time to come, to be found on the land. Small-scale agriculture and livestock growing, chiefly

for subsistence, coupled with logging operations and other rural industrial pursuits, offer the Indian his main economic chance, suited to his talents, experience, and actual physical situation in the world. This bill recognizes this fact as the keystone of the new Indian policy.

The Indian policy of the past 50 years has not stopped with the mere destruction of the material assets of the Indians. It has destroyed Indian social and political institutions, Indian arts and culture, Indian individuality and point of view. This policy grew up in an age which, we may well believe, was not as enlightened or humane as our own; but this policy became so deeply rooted in Indian administration that it has largely dominated the management of Indian affairs until the present administration came into power. Theoretically, the Indians are citizens of the United States, as declared by act of Congress of 1924; but this act was only an empty gesture, for in reality the Indians can only be described as Federal peons.

Although many thousands of Indians are living in tribal status on the various reservations, their own native tribal institutions have very largely disintegrated or been openly suppressed, and the entire management of Indian affairs has been more and more concentrated in the hands of the Federal Indian Service. The powers of this Bureau over the property, the persons, the daily lives and affairs of the Indians have in the past been almost unlimited. It has been an extraordinary example of political absolutism in the midst of a free democracy—absolutism built up on the most rigid bureaucratic lines, irresponsible to the Indians and to the public; shackled by obsolete laws; resistant to change, reform, or progress; which, over a century, has handled the Indians without understanding or sympathy, which has used methods of repression and suppression unparalleled in the modern world outside of Czarist Russia and the Belgian Congo.

I know of no colonial government which does not give some tolerance to the modes of thought and life and social organization of its primitive people. Our Indian administration has for generations pursued the opposite policy. Its formula for civilizing the Indians has always been the policy of intolerance and suppression combined with a forcible religious and educational proselytism designed to compel the Indian to give up his own beliefs and views of life, his languages and arts and customs, and accept those of the white man.

In permitting and encouraging the destruction of everything that was uniquely Indian, whether art or language or social custom, mythology or religion, or tribal and clan organization, the Government has not only destroyed a heritage that would make a colorful and priceless contribution to our own civilization, but it has hampered and delayed the adaptation of the Indian to white civilization. It is perfectly clear that the Indian, in order to win a secure and self-respecting position in our American community, must have not only economic security and the chance of self-support, but must also have constant practice in civic affairs and in the management of property and business. The system of Federal guardianship hitherto in effect has deprived the Indian of this practice. It destroyed his own political and civic institutions, which he understood because he himself had created and used them for untold centuries. With the disintegration of his tribal and clan organizations, the Indian has come to have less and less control of his own affairs until today he is a citizen in name only, with neither power nor effective voice. Most existing tribal councils are permitted purely by sufferance, not through any legal, guaranteed right. In most of his actions the Indian must today take his orders from a Federal bureau, and against these orders he has no legal appeal. He may petition, he may complain; but he has no legal defense against this bureaucratic power.

This thoroughly unnatural and unwholesome position of political and social inferiority is largely responsible for the endless conflicts between the Government and its Indian wards, for the petty factionalism and conflict among the

Indians themselves, for the psychology of complaint and apathy which afflicts the Indians. Deprived of the natural outlet for human energy in creative work for himself and his race, the Indian has fallen back onto blind rage against the chains that bind him.

The Indians have not only been thus deprived of civic rights and powers, but they have been largely deprived of the opportunity to enter the more important positions in the service of the very bureau which manages their affairs. Theoretically, the Indians have the right to qualify for the Federal civil service. In actual practice there has been no adequate program of training to qualify Indians to compete in these examinations, especially for technical and higher positions; and even if there were such training, the Indians would have to compete under existing law, on equal terms with multitudes of white applicants. Today there are about 2,100 Indians holding permanent civil-service appointments in the Bureau of Indian Affairs, with a total permanent personnel of approximately 6,500. The great majority of these positions held by Indians are in the lower salary grades, such as clerks, matrons, cooks, boys and girls' advisers, and so forth. Considering the higher and technical positions, there are, for example, only 8 Indian foresters in a total forest personnel of 102; 250 teachers in a total teaching force of 966; 21 nurses in a total force of 345 nurses; only 8 Indian superintendents out of a total number of 103. The various services on the Indian reservations are actually local rather than Federal services and are comparable to local municipal and county services, since they are dealing with purely local Indian problems. It should be possible for Indians with the requisite vocational and professional training to enter the service of their own people without the necessity of competing with white applicants for these positions. This bill permits them to do so.

Land reform and in a measure home rule for the Indians are the essential and basic features of this bill. In order to make clear the scope and operation of the new Indian policy, I propose now to further discuss the various provisions of the bill.

Sections 1 to 8 deal with the complex and difficult land problem with which the Indians are now confronted. Section 1 will prevent any further allotment of Indian lands of any Indian reservation now existing or hereafter created through purchase or otherwise. In view of the disastrous history of allotment, I do not anticipate any voice will be raised against this provision. Hereafter, any Indian lands not already allotted will be used either through a system of assignment to individuals for beneficial use or through the common occupancy and use of the Indian grazing and timber lands.

This system has long been successfully operated by the Indians of Mexico, by the Pueblos of our own Southwest, and by such tribes as the Navajo, the Menominees, and the Cherokees of eastern North Carolina. It is essentially the system of our great national forests. It is highly significant that only among those Indians where the basic title remains in the tribe and the system of assignment is used have the Indian lands remained intact. The Menominees of Wisconsin, for example, have held intact for 70 years the lands that were finally left to them by treaty, and they are a prosperous people engaged in agriculture, forestry, and lumber manufacture, supporting their own schools, and with tribal reserve accounts of \$900,000. Likewise the Pueblos have kept their land practically intact for centuries; their only losses having been through squatters' claims, for which they have received reimbursement from the Government.

In order to prevent any further sale of restricted Indian land through the issuance of patents in fee or certificates of competency, section 2 provides for the extension of all existing periods of trust until otherwise directed by Congress. The Indians of Oklahoma are excepted from this provision, and the existing laws and procedure relating to the guardianship of minor and incompetent members of the Osage and Five Civilized Tribes remain in effect. This exception is made because the handling of the affairs of these

tribes has been unique in the history of our Indian administration, with a division of responsibility between the Federal and State Governments, which has led to controversy and confusion. Because of the difficulties inherent in this situation, it has seemed to the committee wisest to leave certain features of the Oklahoma problem to an independent solution rather than to attempt to cover them in the present bill.

The act of 1887, which provided the means of opening the so-called "surplus" Indian lands to sale, homestead entry, and other forms of disposal, was based on the fiction that the bulk of the land left in any reservation after individual allotments were made to the members of the tribe was not needed by the Indians and should be disposed of to white settlers. This was a fiction, first, because it took no account of possible increases in Indian population, and, second, because most of the allottable lands were grazing or forest lands rather than agricultural lands, and the small parcels allotted, ranging in average from 80 acres to 160 acres, were wholly insufficient to support a family. We all know that the 640-acre homestead law broke down because even double or triple that amount of land was insufficient to graze a herd of cattle or sheep large enough to support a family. Section 3 directs the Secretary of the Interior to restore the so-called "surplus" lands to tribal ownership, with a proviso to protect valid claims existing on the date of withdrawal.

It is estimated that there are 2,000,000 acres of the remaining surplus lands which are still unentered or unsold. The gross average opened or ceded was approximately 86,000,000 acres. These lands are situated primarily in the States of North and South Dakota, Wyoming, Montana, Washington, and Oklahoma. This provision, which is but an act of justice to the Indians, fits closely into the general land program of this administration, for there is no reason why the Government should encourage homesteading while at the same time seeking to take surplus agricultural land out of cultivation.

In order to protect the economic future of the Indians and to protect the Government itself against the loss and disintegration of the Indian property, it is most essential to prevent alienation of Indian lands outside of Indian ownership. Section 4 forbids the sale, devise, gift, exchange, or other transfer of restricted Indian lands or of shares in the assets of Indian tribes or corporations except to the Indian tribe itself, with the exception that land or shares may descend or be devised to a member of the tribe or to the heirs of the devisee or deviser, whether or not they are members.

These provisions do not apply to unrestricted Indian lands nor to any Indian owner of restricted land who may be declared competent by the Secretary of the Interior. Nor do they change the existing laws of Oklahoma governing descent and distribution of Indian property, determination of heirs, the sale of interests of full-blood heirs, or the partitioning of lands; but they do give to the Secretary of the Interior a preference right to purchase for Indian use any restricted Oklahoma Indian lands offered for sale.

The preceding sections are safeguards to prevent further loss and wastage of Indian lands. But we must go further and actually restore some of the lost lands to the Indians. Section 5 sets up a land acquisition program to provide land for Indians who have no land or insufficient land, and who can use land beneficially. For this purpose, the bill would authorize the appropriation of not to exceed \$2,000,000 in any one fiscal year. The Navajo Indians of Arizona and New Mexico are excluded from this purchase program because of pending bills to increase the area of the existing Navajo Reservation.

I have already said that there are more than 100,000 landless Indians in America today, and in addition many of the reservations are so riddled by alienation that their economic use for Indian grazing is impossible. This program would permit the purchase of land for many bands and groups of landless Indians and would permit progress toward the con-

solidation of badly checkerboarded Indian reservations, as well as provide additional agricultural land to supplement stock grazing or forestry operations. Considering the magnitude of the losses of Indian land brought about by the past 50 years of incompetent Federal guardianship, the purchase program here proposed is indeed a very modest restitution; and it is moreover an investment that will many times repay itself by taking Indians off the relief and ration rolls.

The bill seeks, through section 6, to assure a proper and permanent management of the Indian forest and grazing lands and makes such management mandatory on the Secretary of the Interior instead of optional, as at present. It seeks to prevent the destructive use of Indian forests and range lands. It directs the Secretary of the Interior to place the Indian forests, comprising some 8,000,000 acres of highly valuable and productive timberland, on a basis of permanent sustained yield management, which means that hereafter the annual cut of timber will be restricted to the annual growth capacity of the forest, with continuous reforestation as the cutting proceeds. This will assure that the Indian forests will be permanently productive and will yield continuous revenue to the tribes.

This same section assures the adoption of proper range management by requiring the Secretary to make the necessary rules and regulations to assure that end. Indian grazing lands constitute about five-sevenths of the whole Indian estate, and the purchase provisions of the bill, combined with the regulatory powers conveyed by section 6, will open the way for developing Indian livestock grazing in lieu of the leasing system, which has made of multitudes of Indians petty landed proprietors seeking to live on small rentals instead of by their own enterprise. Experience has amply proved that many Indians are skillful in the handling of livestock where they have sufficient consolidated range lands to make livestock growing feasible. In working toward Indian self-support it is all-essential that the leasing system be ended as soon as possible and be replaced by Indian-owned herds. This is equally true of the leasing of Indian agricultural lands.

Section 6 also contains a sliding scale for the reduction of contract prices for Indian timber where the purchaser employs Indian labor in the logging operations, the reduction being proportionate to the percentage of Indian labor employed. Hitherto the Indian logging operations have been almost entirely conducted by white labor and the Indians have thus lost this important source of income from the operation of their own property. As an excuse for not employing Indians, timber purchasers usually allege that Indian labor is neither so competent nor so reliable as white labor. To meet this objection and to increase Indian employment, the bill sets up a bonus in the way of stumpage price reduction. The ultimate goal of the Indian Service is complete Indian operation of the entire Indian forest enterprise, including logging, sawmill operation, reforestation, and technical management.

Any lands acquired under this bill may be added to existing reservations, but no Indian who is not a member of or enrolled on such a reservation or entitled to such enrollment may use such lands.

Under section 8, Indian allotments or homestead on the public domain outside the boundaries of Indian reservations are excluded from the act. These allotments and homesteads are so scattered that it is not feasible to bring them within the general framework of the bill.

The new Indian policy looks forward not only to security of the Indian lands but to developing as rapidly as possible Indian use of Indian lands for self-support. For this purpose it is vitally essential to make credit available to the Indians as it is available to white farmers and corporations everywhere. Section 11 authorizes the appropriation of \$10,000,000 to be established as a revolving fund to make loans to Indian-chartered corporations for the purpose of promoting the economic development of such corporations and tribes and their members. This provision is broad enough to permit loans not only to corporations but to their individual members and looks to the creation of Indian



credit unions. Repayments on these loans would be credited to the revolving fund and be available for reloan.

Congress has from time to time made gratuity appropriations on a small scale to various Indian tribes. Repayments on such loans have been extraordinarily good. With the formation of Indian corporations and the assumption of responsibility for the operation of the credit system by the Indians themselves, there is every reason to believe that the proposed Indian credit system can be operated as efficiently as white credit institutions.

This provision is basically to the whole new program. The Indians are distressingly poor in money, housing, tools, farming implements, work stock, livestock, and every kind of equipment needed for agriculture, forestry, and rural industry. They cannot create these capital goods out of thin air, and no outlay that the Government can make for the promotion of Indian self-help and self-support will in the long run be so good an investment as this.

No less important than these new land policies are the self-government or home-rule features of the bill, embodied in sections 9, 17, 18, 19, and 20. Section 9 would permit the chartering of Indian corporations, either coextensive with the tribe or consisting of 10 or more members thereof, for individual and collective economic welfare. Such a corporation may be a stock or nonstock corporation, but in any event its shares or assets would be inalienable outside the tribe. It is the purpose of this section to encourage Indian enterprise in agriculture, mining, lumbering, fishing, and other types of business, and to give tribes or groups the necessary legal rights and powers to conduct such enterprises.

Such corporations may be vested with any and all powers necessary to the conduct of their business, but only with the written consent of the Secretary of the Interior. It is obvious that, in their initial stages at any rate, Indian corporations should have careful supervision by the Government to protect their members from unwise enterprises or from the misuse or mismanagement of Indian property. On the other hand, experience fully demonstrates that many of the Indian tribes and many groups of Indians are amply capable of managing their property and businesses. The creation of such corporations should be an enormous stimulus to Indian initiative and self-support and would at the same time go far in breaking down the dictatorial powers of the Federal Government over Indian property and activities. To facilitate and encourage the formation of such corporations, section 10 would appropriate not to exceed \$250,000 in any fiscal year to assist in the work of organization.

Incorporation does not answer the whole problem of Indian home rule. Section 17 grants to Indians still living in a reasonably compact community the right to organize for their common welfare, to adopt a constitution and by-laws, and to elect a tribal business committee. Among the most important powers conferred by this section is that which would prevent the sale, disposition, lease, or encumbrance of tribal lands or assets without the consent of the tribe. Under existing law, tribal moneys may be appropriated for the expenses of the Indian Service. It has been estimated that since 1900 the Government has spent \$500,000,000 of tribal money in per capita payments and administrative costs. Much of this money has gone to pay for routine activities of the Indian Service over which the Indians have exercised no control whatever, much has been spent for ill-advised irrigation projects which have benefited the whites rather than the Indians, without the consent of the tribe.

The Indians should unquestionably have a voice in the spending of their own money. The present system is in effect a totally indefensible system of "taxation without representation" and has led to the profligate and unproductive expenditure of vast sums of money. Most of this huge expenditure represented Indian capital, derived either from the sale of land or other assets or from claims arising out of Government mismanagement of Indian property. It should be axiomatic that no Indian capital should be spent

for any purpose except productive development of Indian property or enterprise. The expenditure of these vast sums of capital for routine administration or for per capita doles should be stopped. The bill would give the Indians a veto power over such expenditures.

The psychological and moral effects of these provisions for Indian incorporation and home rule are bound to be far-reaching. The Indian character has suffered subtly and profoundly through the long exclusion of the Indians from normal human activity in managing their affairs, developing their powers, and giving scope to their ambitions. This deterioration of character through civic and social disintegration has been intensified by the almost universal poverty of the Indians, a poverty which grows more acute as the Indian lands dwindle away. Already the new policy in Indian affairs is having a striking and beneficent effect on the Indians. Since January innumerable Indian councils, large and small, have been held throughout the Indian country to discuss and debate this bill. It is doubtful if any piece of legislation in the history of this country has been more thoroughly and intelligently studied and debated by the people whom it would affect than the pending measure. Considering the complexity of the problems involved and the enormous importance to the Indians of the issues at stake, this experience clearly shows that the Indians are fully capable of statesmanlike understanding and action. The process of self-government thus set in motion should not be allowed to disappear. The enactment of this legislation will permit a continuous and increasing exercise of civic power and cooperative action by the Indian peoples, and it will set the entire Indian population in motion to take the initiative for their own salvation and to cooperate intelligently with the Government.

The development of Indian capacity for home rule will be greatly speeded up by providing better opportunities for vocational, technical, and professional education for able Indians. Section 12 authorizes the appropriation of not to exceed \$250,000 annually for education of Indians in trade and vocational schools, of which not more than \$50,000 per year shall be available for high-school and college education. These funds would be granted as reimbursable loans.

I have already spoken of the difficulty which Indians experience in meeting the civil-service requirements for entering the Indian Service. It should be possible for Indians to enter the service of their own people without running the gauntlet of competition with whites for these positions. Indian progress and ambition will be enormously strengthened as soon as we adopt the principle that the Indian Service shall gradually become, in fact as well as in name, an Indian service predominantly in the hands of educated and competent Indians. This does not mean a radical transformation overnight or the ousting of present white employees. It does mean a preference right to qualified Indians for appointments to future vacancies in the local Indian field service and an opportunity to rise to the higher administrative and technical posts. Section 13 directs the Secretary of the Interior to establish the necessary standards of health, age, character, experience, knowledge, and ability for Indian eligibles and to appoint them without regard to civil-service laws; and it gives to such Indians a preference right to appointment to any future vacancy. This provision in nowise signifies a disregard of the true merit system, but it adapts the merit system to Indian temperament, training, and capacity. Provision for vocational and higher education will permit the building up of an entirely competent Indian personnel.

Apprehension was expressed at various Indian councils that appropriations made under this act might be used as offsets against claims or suits of various tribes against the Government. Section 16 specifically disclaims any such intent on the part of Congress.

Section 14 excludes the Territories and insular possessions from the operations of the act, except that certain sections are made applicable to the Indians of Alaska.

Section 15 provides for the continuance of the so-called "Sioux benefits" to all Sioux Indians who would be eligible

but for the provisions of this act to receive allotments of land.

A few Indian tribes asked to be exempted from the provisions of the bill. The committee have all thought it unwise to force even home rule and appropriations on tribes unwilling to accept them, and for that reason section 19 provides for a popular referendum among the various tribes within 6 months after the passage and approval of the act. The act shall not apply to any reservation wherein a majority of the adult Indians vote against its application.

For the purposes of this act, section 21 defines the persons who shall be classed as Indians. In essence, it recognizes the status quo of the present reservation Indians and further includes all other persons of one-fourth or more Indian blood. The latter provision is intended to prevent persons of less than one-fourth Indian blood who are not already enrolled members of a tribe or descendants of such members living on a reservation from claiming the financial and other benefits of the act. Obviously the line must be drawn somewhere or the Government would take on impossible financial burdens in extending wardship over persons with a minor fraction of Indian blood.

It may well be asked, What are the ultimate goals of the policy embodied in this bill?

It seeks in the long run to build up Indian land holdings until there is sufficient land for all Indians who will beneficially use it.

It will set up a gradual and voluntary revestment of allotted grazing and forest land, through purchase or assignment, into tribal ownership. Such ownership, combined with the consolidation of checkerboarded reservations, is an essential part of the proposed program of substituting Indian use of the land for the leasing system.

It seeks to make the Indians, as a group, self-supporting through agriculture, livestock growing, forestry, and other rural pursuits. With a proper land system, credits, and systematic guidance, the majority of the Indians are amply capable of achieving the goal of self-support and thus save the expenditure of enormous Government appropriations and tribal capital.

It seeks the functional and tribal organization of the Indians so as to make the Indians the principal agents in their own economic and racial salvation, and will progressively reduce and largely decentralize the powers of the Federal Indian Service.

In carrying out this program, the Indian Service will become the adviser of the Indians rather than their ruler. The Federal Government will continue its guardianship of the Indians, but the guardianship envisaged by the new policy will constantly strengthen the Indians, rather than weakening them.

This program will pave the way for a real assimilation of the Indians into the American community on the level of economic independence and political self-respect. The so-called "assimilation" of the past has been largely the Federal abandonment of pauperized and landless Indians to make their own way, as best they might, in the white community. The Indians are now segregated far more through poverty and inferiority feeling than through any possible geographical segregation. The program of self-support and of business and civic experience in the management of their own affairs, combined with the program of education, will permit increasing numbers of Indians to enter the white world on a footing of equal competition.

There is an extraordinarily wide and sympathetic public interest in this proposed legislation. The President himself has strongly endorsed the principles of the bill and has asked for its passage in this session. The Indians are overwhelmingly in favor of it. The responsible tribal councils representing about 155,000 Indians, after prolonged and full popular discussion of the bill, have voted in its favor; the tribal councils representing only about 17,000 Indians have voted against it. This Congress, by adopting this bill, can make a partial restitution to the Indians for a whole century of wrongs and of broken faith, and even more important—for this bill looks not to the past but to the future—can

release the creative energies of the Indians in order that they may learn to take a normal and natural place in the American community.

Again I call the attention of the Members of the House to the character of this committee we have and assure you that if any of you are in doubt with reference to any problem submitted here in the bill, I should like to have you ask questions freely of the members of my committee or of me. I will answer such as I can, and I know that the other members will answer for me.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield for a question?

Mr. HOWARD. Yes.

Mr. DICKSTEIN. This bill proposes to create self-government for certain Indian tribes.

Mr. HOWARD. So far as possible; yes.

Mr. DICKSTEIN. There have been quite a number of protests from my State in which it is stated that this bill will more or less compel them to go into the amalgamation whether they want to do so or not. Does the bill do this?

Mr. HOWARD. Under this bill no tribe of American Indians will be forced to come under its provisions unless a majority of that tribe shall by vote request to do so.

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

Mr. HOWARD. Yes.

Mr. FREAR. Was there opposition to this bill when it passed the Senate?

Mr. HOWARD. I do not know for sure, but I think not. I think it passed practically by unanimous consent.

Mr. FREAR. Is there any minority report to the bill as reported to the House?

Mr. HOWARD. No; every member of our committee agreed to the bill as it was finally presented.

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

Mr. HOWARD. Yes.

Mr. CHRISTIANSON. Is it not a fact that the House bill, as it appears before us, was written by those who objected most strenuously to the original Wheeler-Howard bill?

Mr. HOWARD. That is absolutely true.

Mr. CHRISTIANSON. And it represents the viewpoint of the critics of the legislation against which the attacks have been leveled?

Mr. HOWARD. That is right.

Mr. CHRISTIANSON. And when the bill, in its final form, was submitted to the committee, there was not a single dissenting vote.

Mr. HOWARD. That is right.

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

Mr. HOWARD. Yes.

Mr. GLOVER. I am always pleased to follow the distinguished gentleman who is now speaking and his endorsement of this bill is good enough for me, but I see from the report that this has the endorsement of the administration that has given careful and painstaking thought to this question.

Mr. HOWARD. And a special appeal in behalf of a wonderful man in the world has been made on various occasions. I do not like to mention that fact because I want this bill to pass on its merits, and I do not want anybody to vote against the bill simply because President Roosevelt thinks it is a good bill. [Laughter and applause.]

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

Mr. HOWARD. Yes.

Mr. CARTER of Wyoming. Is the bill as reported out by the gentleman's committee different from the bill originally introduced?

Mr. HOWARD. Oh, entirely so.

Mr. CARTER of Wyoming. I thank the gentleman.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a brief question?

Mr. HOWARD. Yes.

Mr. DONDERO. Does this bill—and I am not familiar with it—permit the Indian to live substantially as he desires to live?

Mr. HOWARD. That is the idea of it.

Mr. CARTER of Wyoming. Mr. Speaker, I yield 6 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, the Christian Reformed Church has been doing missionary work among the Indians for something over 35 years. The members of that church, especially, are greatly interested in this legislation, and I may say, greatly alarmed about it. I have in my file innumerable petitions from the different Christian Reformed churches in my district and from the young people's and other organizations and societies in those churches, very definitely and positively opposing this legislation.

My understanding of the position of the church people—and I may say that other church organizations join with the Christian Reformed Church in this opposition—my understanding of their position is that they think that this legislation will have a tendency to de-Christianize and paganize the Indians rather than to help them. It will undo the work which it has taken the Christian missionaries years to do. Without reading all the language of the petitions which I have received let me read some of the pertinent sentences in them. They say:

The proposed bill if enacted into law will not at all be beneficial to the material, social, moral, and spiritual welfare of the Indians.

And again—

The minds of our Indian children should not be more polluted with these traditions than they already are. It is unconstitutional that the Government shall provide money for religious instruction.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. CHRISTIANSON. Will the gentleman point out any portion or clause in the bill that contravenes any provision of the Constitution.

Mr. MAPES. I have heard the gentleman from Minnesota discuss the bill on different occasions. I know his position. Within the limited time for debate, I cannot go into a discussion of the constitutional question involved. I am now endeavoring to state the position of the church people.

I understand there have been some changes made in the bill as it was originally introduced. It may be that some of the criticism of the Christian Reformed Church and others have been corrected. I am not informed about that; but I am attempting to present the position of the Christian Reformed Church and of other church people on this legislation as I understand it.

I have received no word that their position has changed in any respect on the legislation as presented to me by these innumerable petitions and innumerable letters from personal friends whom I know to be leaders of the Christian Reformed Church, and who I know have a knowledge of the Indian Service surpassed by none, and in whose judgment I have complete confidence.

A group of missionaries from the Presbyterian, Baptist, and Christian Reformed Churches to the Indians in New Mexico and Arizona state the following regarding the Wheeler-Howard bill:

This bill casts a halo of glory around Indian traditions. We read in this title I, section 2, of the Wheeler-Howard bill, "It is hereby declared to be the purpose and policy of Congress to \* \* \* preserve and develop \* \* \* Indian \* \* \* traditions." Now, we, as missionaries, favor very much the preservation of all that is best in the Indian's past, such as arts, skills, and culture, but with respect to these traditions Mr. J. C. Morgan, Navajo Indian and member of the Navajo Council, says, "Indian traditions are not fit for publication. I would not have these things taught to my children. The most degrading things are taught in these Indian traditions." If Congress takes this part of the bill seriously, namely, that which refers to traditions, it would mean the closing of every hospital on the reservation. Moreover, this section seems to abrogate the long-established principle of separation of church and state inherent in our Constitution.

And, further, we can well understand the feeling of Dr. Arthur C. Parker, Seneca Indian, director of the Rochester Museum of Arts and Sciences, when he characterizes the proposed legislation as "an attempt to upset the policy of normalizing the Indian population." He further states, "As an anthropologist, I should be very happy to see the tribes brought back to their former glory, but as a citizen interested in human welfare and the true advance-

ment of humanity and enlightenment the Collier scheme appears not only preposterous but a tragedy."

The SPEAKER pro tempore (Mr. Brown of Kentucky). The time of the gentleman from Michigan has expired.

Mr. CARTER of Wyoming. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Speaker, during a former Congress I served on the Indian Affairs Committee at a time when we were investigating the Indian Bureau. We worked continuously during a period of 14 months. Out of that experience I find it impossible to agree with the philosophy of this measure enunciated by my friend, Mr. HOWARD, of Nebraska. I consider this bill will establish a fundamentally wrong policy. It is a long step backward, which will do more injury to the Indians than anything that has been proposed in many years. The first section of this measure embodies its philosophy and ought to be sufficient to show the Members of the House what the bill really contemplates:

That hereafter no land of any Indian reservation, created or set apart by treaty or agreement with the Indians, act of Congress, Executive order, purchase, or otherwise, shall be allotted in severalty to any Indian.

In other words, for the future, the avowed policy of the United States shall be that the Indians are to be segregated in their reservations without individual ownership of homes. They are to be kept out of communication with the American community, and thus kept from being self-supporting and self-respecting Americans. However disguised, the operation of this bill will be that American Indians will be treated as wards and serfs under Indian Bureau control. Mr. Speaker, there is only one question to be asked of any Indian measure, and that is, Does it tend to lessen the domination of the Indian Bureau, does it tend to make the Indian more free from arbitrary control? Putting those questions to this legislation, the answer must be that it tends to make the Bureau domination more complete and secure. It tends to take any chance for freedom from the Indian. Many tragic chapters have been written in the record of our treatment of the original Americans. We have learned nothing from past mistakes if the policy in this bill is to be adopted. Instead of going back to 1889 conditions, we should go forward, lessening the control of the Indian Bureau, until the American Indians are free citizens, living under exactly the same laws and conditions as apply to all other Americans.

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

Mr. CARTER of Wyoming. Mr. Speaker, I yield one-half minute to the gentleman from New York [Mr. BEITER].

Mr. BEITER. Mr. Speaker, I regret exceedingly that I have not more time allotted in which to debate this bill. The original bill contained a provision exempting the Indians of the State of New York, and the Indians of California, Oklahoma, Montana, and North Carolina, all of whom are opposed to the passage of this bill. The bill we are now considering includes the New York Indians. I have received telegrams from Indians throughout America protesting and voicing opposition to the Wheeler-Howard bill, making a final appeal to me to oppose the bill.

In considering this proposed legislation, the question is: Does it provide that the Bureau control of person and property be removed and will its passage provide the remedy for many existing situations which have developed in the 100 years that the Indians have been under Bureau control. In short, does it make the Indian a free person, give him a voice in the administration of his own affairs and actually provide for self-government? Does it provide better protection for property rights than the Indians now enjoy?

Section 19:

This act shall not apply to any reservation wherein a majority of the adult Indians, voting at a special election duly called by the Secretary of the Interior, shall vote against its application.

The application of this provision would serve to abrogate all existing treaty rights of every Indian tribe. Treaties

were made with certain tribes. Under existing conditions, those tribes, or their duly constituted officials, have always had the power to say who were the members of the tribe and entitled to share in tribal properties, annuities, and tribal government. On many reservations today there are present Indians who are not members of the tribe owning the reservation but who continue to live there with the tribe. However, they do not share in any of the above-set-forth tribal benefits. This provision of the bill does not state that only duly constituted members of the tribes shall vote at the election to decide whether this legislation shall apply or not. It says "a majority of the adult Indians." Now, if the vote is to accept this legislation, do these alien, so to speak, Indians become a part of the tribe owning that reservation, or will they still be alien Indians? And if they are alien Indians, what right have they to vote regarding the application of this law to that particular reservation when the legislation deals with the property rights, the tribal funds, the tribal government of the tribe?

Section 18 provides for the issuance of a charter of incorporation to the tribe. It states in part:

*Provided*, That such charter shall not become operative until ratified at a special election by three-fourths of the adult Indians living on the reservation.

Again, tribal membership is thrown into the discard and all adult Indians residing on the reservation are given the right to vote upon the charter. This clearly means that the charter shall be issued to a community consisting of all these adult members. Such a procedure clearly sets up a new organization which is not a tribal organization. This would successfully operate to abrogate all existing treaty rights, for the treaties were made with the tribes, the provisions that "all laws and treaties applicable to a tribe and its members shall continue to apply to such tribe incorporated under this act" to the contrary notwithstanding. Authority is taken away from the tribe as to who shall participate in this government, and the resulting chartered community would not be a chartered tribe but a new chartered community with no treaty rights.

Further than this section 21 provides that the term "Indian" shall include "all persons of one-fourth or more Indian blood." Under existing conditions, among some tribes, tribal membership is entirely through the mother. Where these tribes are concerned the same objections could be brought as are set forth about section 18 and section 19. It takes existing power and authority away from the tribes and its operation would be to include many people who do not now share in tribal property, lands, moneys, or governments.

Section 17 provides for the organization of these chartered communities and states in part—

which shall become effective when ratified by a majority vote \* \* \* at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe.

It further provides for the right to employ legal counsel, the choice of counsel and the fixing of fees—

to be subject to the approval of the Interior.

Is this freedom of self-government? The Secretary of the Interior now has power and authority to do any of the above-named things but the tribes do have some measure of protection through existing treaty rights. Taking into consideration the provisions which would abrogate treaty rights and successfully operate to destroy all existing tribal governments, it most emphatically spells only increased power and authority for the Secretary of the Interior. There is no guarantee how long the status provided for shall continue. Any succeeding Secretary of the Interior might decide to do something entirely different and prescribe different rules and regulations and recall the powers of self-government already granted. The newly formed chartered communities would be more completely at the mercy of one-man control, stripped of all treaty protection, than has ever before been the case.

Section 9 provides that—

Any number of members of any recognized Indian tribe, but not less than 10, shall have the right to form Indian chartered corporations to promote their individual and collective economic welfare and the welfare of the tribe.

At least the word "adult" members should be inserted here, for under the present wording a man and his wife and eight children might organize to promote their welfare and further take it upon themselves to promote the welfare of the tribe as a whole. This provision should be stricken out entirely, for it opens the way to too much welfare racketeering, and there has been enough of that in the past among Indians who were supposed to promote the welfare of the tribe and have only promoted their own individual welfare, and live in fine style while those whose welfare they seek to promote struggle on alone. There is terrible danger in this section. It should be entirely stricken out, or at least the words "and the welfare of the tribe" should be stricken out, for such a small group might well soon gain control of an entire Indian reservation, with full recognition of the Indian Bureau, to the exclusion of all others. And it would be under control of the Bureau, for this section further provides:

Such articles of association may be amended and bylaws adopted under such rules and regulations as the Secretary of the Interior may from time to time establish and promulgate—

And at the end of the section—

*Provided, however*, That none of such powers shall be exercised without the written approval of the Secretary of the Interior.

Sec. 5. The Secretary of the Interior is hereby authorized, in his discretion, to acquire through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments, whether the allottee be living or deceased, for the purpose of providing land for Indians.

Under existing Bureau control, individual Indians would be forced to relinquish their lands whether they wished to or not, just as in the past they have been forced to sign powers of attorney giving the Indian agents the right to lease their lands before such lands were leased for them. It opens the way for taking away of land rights from Indians who have land and giving it to Indians who do not have land.

First. Passage of this bill would absolutely revoke the rights of free citizens granted to the Indians by act of Congress on June 2, 1924.

Second. Passage of this bill would destroy all existing treaty rights of the various tribes and leave the new chartered communities with no protection.

Third. This bill will not do what it is supposed to do—provide for the freedom of self-government by the Indians—because all power and authority is left in the hands of the Secretary of the Interior and the Commissioner of Indian Affairs, where it has been for 100 years past.

Fourth. This bill seeks to set the Indians apart as a separate race; means only continued segregation and would foster race prejudice.

Fifth. Passage of this bill would force the Indians backward into the status which existed 100 years ago.

Sixth. It does not give the Indians any voice in the control or management of their own affairs, the selection of employees or reservations, the spending of tribal funds, nor the right to employ legal counsel. All such statements contained in the bill are carefully followed by words to this effect: "as the Secretary of the Interior shall see fit, shall consider competent, in his discretion, or according to such rules and regulations as shall be prescribed by the Secretary of the Interior."

Seventh. It provides only for a bigger and better Bureau and increased and more detrimental power for the Indian Bureau than has ever before been passed.

I desire to insert as a part of my remarks two telegrams I received, which I offer as evidence showing that the Indians are opposed to the passage of this bill:

JUNE 11, 1934.

HON. ALFRED F. BEITER,

*House of Representatives, Washington, D.C.*

MY DEAR CONGRESSMAN: The Indians of America, standing on our constitutional rights, make a final appeal to you to oppose the passage of the Wheeler-Howard Indian bill.

Very sincerely yours,

Adam Castillo, president Mission Indian Federation, California; Levi Walker, Klamath Tribe, Oregon; Delos K. Lonewolf, Kiowa, Apache, and Comanche, Oklahoma; Alfred Minugh (individually), Gros Ventre, Mont.; Winslow J. Couro, Santa Ysabel Mission Indians, California; Joshua Jones, chief of Six Nation Confederacy, New York; Jesse Lyons, chief of Onondaga Nation, New York; Joseph Bruner, principal chief, Indian Nation Confederacy, Oklahoma; Joseph Brooks, Siouan Tribal Council, North Carolina; Alice Lee Jemison, secretary to President Ray W. Jemerson, Seneca Nation, New York.

[Night letter]

IRVING, N.Y., June 10, 1934.

HON. ALFRED F. BEITER,

*House Office Building, Washington, D.C.*

Revised Wheeler-Howard bill does not exclude the New York Indians. Either exclude us or grant us hearings in Washington. Before you take away our vested rights and liberties by law we are entitled to a hearing. It is un-American to do otherwise. We rely on the principles of government by the governed and equality before the law the same as other Americans. We are as interested in an American deal as a new deal.

RAY W. JIMERSON,

*President Seneca Nation of Indians.*

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

Mr. CARTER of Wyoming. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, when the World War broke out, among the first men in this country to rush to the colors were the Indians of the United States. The Indians furnished more men per capita than any other race, and they furnished more money per capita for the support of the war than any other race. Every general with the Allied Forces commended them for their heroism. I have a reservation close to my district known as the "Cattaraugus Reservation." The Indians are self-respecting, and they are keenly interested in any Federal legislation that may affect their rights. They have entered a protest against this bill.

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

Mr. REED of New York. I cannot yield now. I have a letter before me from the president of the Seneca Nation of Indians. I ask unanimous consent to extend my remarks by incorporating this letter.

The SPEAKER pro tempore. Is there objection?

Mr. CHRISTIANSON. Mr. Speaker, I reserve the right to object. I shall not object if the gentleman will yield for one question.

Mr. REED of New York. I cannot yield at this time.

Mr. GILCHRIST. What is the date of the letter?

Mr. REED of New York. I shall read the letter.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to put this letter in the RECORD. Is there objection?

Mr. CHRISTIANSON. I object.

Mr. REED of New York. Mr. Speaker, then I shall read the letter, because the Members of the House have the right to know the views of the Seneca Indians with reference to this legislation.

The letter is as follows:

IRVING, N.Y., April 12, 1934.

HON. EDGAR HOWARD,

*Chairman House Indian Committee,**House Office Building, Washington, D.C.*

MY DEAR CHAIRMAN HOWARD: One behalf of the interests of the Seneca Indians and all other New York State Indians, I wish to protest against our being included under section 2, title II, of the bill H.R. 7902 which is now before your committee.

Section 2 provides that Indian schools with special curricula will be maintained for the Indians. We do not wish this to apply to our schools.

For many years past our schools have been maintained by the State of New York. It is true that they do not represent equal opportunity with white schools for our children because Indian schools are classed with prison schools, reform schools, and schools for the feeble-minded. In that classification the appropriations

are approximately \$3 per month, per child, whereas for other rural schools the appropriations are about \$10 per month.

But regardless of the quality of the teachers and the limited equipment provided, scholastic standards are the same as for other schools, viz: New York regents standards.

This proposed legislation gives no guarantee that the Federal Government will maintain those standards. Rather, after our pupils were graduated from these special curricula schools, it would be necessary for them to attend another school for 1 to 2 years before they would be eligible to enter high school.

We do not wish to be included under section 2, title II of H.R. 7902. We are in favor, however, of the speedy passage of the so-called "Swing-Johnson bill" which has been before Congress for the past 4 years or so and was this year reintroduced as S. 2571. This bill provides for cooperation between the Federal and State Governments and definitely states that the education provided shall be the highest maintained by the State. Under that bill our schools would be improved.

On behalf of the interests of the Indian race, I wish to protest against the passage of any part of this bill for the following reasons:

1. It absolutely revokes the rights of free citizens which were granted to the Indians in 1924 by act of Congress.

2. It is too long and complicated, is full of new rules and regulations, and is subject to Bureau interpretation.

3. It is mass legislation, which is not applicable to all tribes.

4. It provides for a larger and more powerful Bureau by way of new appointments at increased cost to the taxpayers and not only leaves all power where it has been for the past 100 years but also provides for increased and more detrimental power for the Bureau of Indian Affairs.

5. It provides only for continued segregation for the Indians and provides no adequate protection for Indian property in accordance with established laws.

6. The idea of establishing a separate court for Indians only in this land of supposed equality is ridiculous and it and the further provision for the appointment of Bureau attorneys to represent the Indians is an insult to all accepted standards of justice.

7. The whole bill provides nothing but increased and continued Bureau control and the opportunity for experimenting on the Indians with radical, communistic ideas.

I respectfully ask that this protest, together with all protests, both Indian and white, be filed in the record of the hearings before your committee.

The New York Indians, in company with all other Indians, would appreciate an opportunity to appear before your committee to express their opinions on this legislation. May I suggest that an open hearing date be set and announced well in advance so that we may so appear.

Thanking you for your consideration, I am,

Very truly yours,

RAY W. JIMERSON,

*President Seneca Nation of Indians.*

Mr. REED of New York. I am opposing this bill because of the objections which the president of the Seneca Nation has filed against it with the chairman of the committee in charge of this bill.

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

Mr. HOWARD. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, in perfect frankness, I wish to say for the benefit of the gentlemen who have opposed this bill on the Republican side, that when the bill came before our committee in its original form, 56 pages of it, I was bitterly and unalterably opposed to it. Those of us who were opposed to some of the bad features finally cut it down to what it now contains, and in its present form I can see absolutely nothing but good for the Indians of our country from the revised legislation. I could not agree with the original bill, and I think any of my friends on either side of the House know that I oppose bad bills, regardless of which side they come from. I have never bragged about voting blindly for any legislation, no matter where it comes from. I think this bill, as our committee has rewritten it, is so much better than the Senate bill, that when it passes, and I am sure it will pass, I hope the House conferees will insist against any attempt to substitute any feature of the Senate bill.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin [Mr. O'MALLEY] has expired.

Mr. HOWARD. Mr. Speaker, I yield to the gentleman from Washington [Mr. KNUTE HILL] 1 minute.

Mr. KNUTE HILL. Mr. Speaker, the gentleman from Michigan said that the churches were against this bill. A minister of the Gospel is a member of our committee. I am

the son of a minister. We are heartily for the bill. May I suggest that the members of above-mentioned churches should read *A Century of Dishonor*, by Helen Hunt Jackson. They will find that we have treated the Indians shamefully in the past, and that is true even up to the present time. Now we have a President who is sympathetic toward the Indian and wants to see him justly dealt with. He is in favor of this bill. We have a Secretary of the Interior who is in favor of it. We have a Commissioner of Indian Affairs who is in favor of it. It will prevent further alienation of the Indian's land. It will permit the Secretary of the Interior to help the landless Indian. It is not compulsory but optional. Any tribe may refuse by vote to come under the provisions of the bill. It is the first step in the right direction, and we are taking it. The entire House committee is for it; the entire committee in the Senate is for it. The Senate has passed it, and I hope it will pass this House by a large majority. [Applause.]

Mr. CARTER of Wyoming. Mr. Speaker, I yield one-half minute to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter sent to me by the Indians of New York State, in opposition to this bill.

Mr. GILCHRIST. Reserving the right to object, what is the date of that letter?

Mr. O'CONNOR. June 10, 1934.

Mr. O'MALLEY. Where are those Indians from?

Mr. O'CONNOR. Up State.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. O'CONNOR]. There was no objection.

The letter referred to is as follows:

JUNE 10, 1934.

MY DEAR CONGRESSMAN: Enclosed please find copy of a letter protesting the passage of the so-called "Wheeler-Howard bill" which is self-explanatory.

The passage of this bill as it was reported out of the House Committee would serve to abrogate the treaty rights of the New York State Indians, which were established in 1784, when the Six Nation Confederacy made everlasting peace with the United States and were promised by George Washington that they would never be disturbed in their treaty rights.

We respectfully ask you to oppose this legislation when it comes before the House. Thanking you, we are,

Very sincerely yours,

JOSHUA JONES,  
Chief of Six Nation Confederacy.  
JESSE LYONS,  
Chief of Onondaga Nation.  
ALICE M. JIMERSON,  
Secretary to Ray W. Jimerson, President  
Seneca Nation of Indians.

Mr. CARTER of Wyoming. Mr. Speaker, I yield to no Member of this House as far as my interest in the welfare of the Indian is concerned, whether it be as an individual Indian or a tribe. I have always stood for the rights of the Indians and that is the reason I am opposing this bill today.

I represent the Arapahoe and Shoshone Tribes, and I know these people to be the most noble—they are quick of intellect, clear thinkers, honest, brave, and fearless, and they have a passionate love for their children, so I am opposed to any measure that has any tendency to retard their development and advancement, and that is what this bill will do.

The policy outlined in this bill contemplates permanent communal Indian settlements, alien and exclusive, devoid of individual property rights, and subject to an autocratic overlord in Washington. It has been called "back to the blanket policy."

The history of American communities under more favorable circumstances than are set forth in this bill have had a life of short duration. Has not this Government done enough wrongs to the Indians without trying these radical social principles on them?

The Indians in my State are opposed to this bill and have sent me the following report:

FORT WASHAKIE, WYO., April 13, 1934.

REPORT BY SHOSHONE TRIBAL COUNCIL ON WHEELER-HOWARD BILL

The Indian self-government plan outlined by Indian Commissioner John Collier having been submitted to the Shoshone Indian Council and the members of the tribe, and its provisions having been fully considered and discussed, report, as follows:

No. 1. Whereas we feel that the plan does not create or promote the individual initiative that is necessary to make our members self-reliant and self-supporting.

No. 2. Whereas it had been the policy of the Department for many years to get away from the plan of segregating Indians, which we believe is desirable, and the plan submitted would do away with this policy.

No. 3. Whereas the present policy of handling Indians and their land holdings in our opinion can be made very successful provided, however, that there are some modifications to the present rules and regulations.

No. 4. Whereas we do not favor the unit plan of community government as it is not constructive and not workable to the best interests of the Indians.

No. 5. Whereas in conclusion adjudge that the entire structure of this bill gives or guarantees nothing to the Indian only under the supervising power of the Secretary of the Interior and the Commissioner of Indian Affairs, and we further adjudge this bill as a legalized procedure to acquire the Indian land, absolving the United States Government from any suit for nonfulfillment of treaty. It places the Indian in a position as a landless individual and removes him from the position of a landlord to a no-man by its adoption. Now: therefore be it

Resolved, That we "members" of the Shoshone tribe of Indians residing on the Shoshone Indian Reservation in Fremont County, of the State of Wyoming, request that the WHEELER-HOWARD bills (H.R. 7902 and S. 2755) be amended so as to entirely exclude the said tribe of Shoshone Indians from the provisions of said bill.

This resolution was accepted by 153. Opposed by 5.

Signed by Shoshone council members.

LONNIE MCADAMS,  
BEN PERRY,  
SAMUEL NIPWATER,  
JESSE DAY,  
WILLIAM ARAGAN,  
CHARLES A. DRISKELL, Chairman.

The Indian rights association do not endorse this bill, and I will quote excerpts from a recent communication I received from that association:

COMMENTS OF THE INDIAN RIGHTS ASSOCIATION ON S. 3645—SUBSTITUTE FOR S. 2755 AND THE AMENDED H.R. 7902, KNOWN AS "THE WHEELER-HOWARD BILL"

The new bills have eliminated the Indian courts, and to that extent have met the criticism we made of the original bill.

With regard to the subject of land policy for Indians, we feel, in substance, that the present bill will use the same measures the original bill proposed. The comments we made on that phase of the matter in Indian Truth for May 1934 are applicable to the present bill.

With regard to Indian self-government, although there is considerable change in the phraseology the principle of chartered Indian communities seems to have been retained in the present draft.

In the short time available it has been difficult to analyze the charter provisions in the last drafts of the amended proposals to determine all of their implications, but it would seem to us that in substance and in purpose they are very similar to the charter and self-government provisions of the original Wheeler-Howard bill, and we would therefore make the same comment relative to them that we made with respect to the so-called "self-government provisions" of the original Wheeler-Howard bill.

So far as the other good features of the legislative program are concerned, we think there is nothing so urgently needed as to require the passage of this all-inclusive bill. This new version of H.R. 7902 has been substituted in the closing days of Congress for a bill that has been discussed by the Indians. Neither the Indians nor the public in general have had an opportunity to know about the changes or to give them any consideration. Rather than have the bill hastily passed before such consideration is possible, we believe that the whole subject should go over to the next session of Congress, and meanwhile an opportunity be given to acquaint the Indians with the proposed changes.

In reaffirming our position as stated in Indian Truth for May 1934 it is timely to repeat the following:

"Whether we wish it to be so or not, whether we encourage or discourage it, the amalgamation of the Indian with the white race in the United States is in process. In many sections it has already gone far. In others it has hardly begun and we may look forward to certain sections being predominantly Indian for several generations. But these areas of Indian strength cannot indefinitely withstand the general forces that are working, even if they should desire to do so. \* \* \*

"The glass-case policy is impractical.

"All friends of the Indians should look forward to and work for complete civil liberty, political responsibility, and economic independence of Indians. However, they will need for a considerable time, varying in different localities and situations, the pro-

tection and tutelage afforded by guardianship; but this does not mean permanent guardianship and wardship. We should not hold such a goal before Indian people. They and we must look toward the time when they will contribute to the support of government and maintain themselves economically without special aid or consideration (as a racial group) from any government. No other aim shows respect for Indians or will develop self-respect within themselves."

You will note the original bill and the bill on which hearings were held before the Committee on Indian Affairs was introduced by Mr. HOWARD, by departmental request, which indicates he did not want to take the responsibility for its contents. Not long after the bill was introduced I began to notice in newspapers and magazines propaganda by the Commissioner of Indian Affairs in support of this bill. I always grow suspicious when propaganda is put out by the author of a bill to arouse or influence sentiment in its favor, so I decided to investigate and somewhat reluctantly, as I had been very favorably impressed with Commissioner Collier and had always heard him praised as a friend of the Indians.

If Mr. Collier is as friendly to the Indians as he is given credit for being, I think he should have tried to make atonement for the great wrongs that have been done to the Indians, instead of trying this social experiment on them.

I was somewhat astounded at the testimony given by Mr. Collier before the Committee on Indian Affairs. Let me read from the committee hearings:

Mr. WERNER. His rights under the treaty cannot be abrogated. He has inherent rights under the treaty.

Mr. COLLIER. If he has property claims, he does not lose that by leaving it.

Mr. WERNER. This law may attempt to abrogate those rights; do what was done in the past, the very thing it ought not do.

Mr. COLLIER. How does it?

Mr. WERNER. It apparently does not now. There are now in force solemn treaties between the Government and the Sioux Indians and the Government does not pretend to maintain those treaties at all. It has treated them like mere scraps of paper.

Mr. COLLIER. It has.

Mr. WERNER. Only because of its force and because it is larger and stronger and has more money, it does not help. When we forced them back from the country they owned we promised them, on the part of this Government, that they would be taken care of. It was agreed to do certain things and many of those things have not been done. The thing I would like this Government to do for Indians is to meet its pledge to them. That is the thing it ought to do and legislation should be passed by Congress authorizing a settlement of every obligation that it has incurred; the keeping of every promise that has been entered into.

Mr. COLLIER. I entirely agree with you, but first I point out that this bill does nothing to alter the treaty. It is another subject entirely. Every contractual right that the Indian has, he keeps. What you are talking about is another subject that is very big, which is that the Government not only has violated its treaties but the Government has gone on year after year procrastinating to defeat the just claims of the Indian tribes. It takes an Indian from 5 to 15 years to get into court on a claim. He goes into court as a rule under legislation that cripples his claim and prejudices his case against him.

We are coming to your committee and Congress with a bill designed to bring all of these Indian claims promptly to judgment, equitable as well as your legal claims, so that they can have their day in court and procure their final determination under these contracts. We have intentionally not put that into this bill for a very practical reason. If the Government gives the Indian a square deal in the matter of his treaties and his contractual claims, the Indian is going to roll up a judgment against the United States of more than a thousand million dollars.

Mr. WERNER. That is right.

Mr. COLLIER. And we are going to go after that, but we do not want to tie that into this bill.

Mr. WERNER. I would like to see that tied to it.

Mr. COLLIER. No. We want to pass this bill.

It will be in for your consideration during this session, but I do not think there is a chance for passing it at this session.

Mr. CHAVEZ. Could you bring it in before you reduced this claim to judgment if you do?

Mr. COLLIER. The Indian ought to be entitled to a day in court and to his judgment, but whether Congress will vote all the money here or hereafter is another question. Heretofore the Government has been dodging the claims, procrastinating with them so as not to get a judgment against it. We think that is wrong. The Indian is entitled to his judgment. When Congress will pay the judgment is another subject. I would anticipate that we probably cannot pass that bill at this session. That will be the big fighting issue in the next session.

He tells the committee if the Indians get a square deal that the United States will owe them over a billion dollars, and it will be the big fighting issue in the next Congress.

This statement was made in the latter part of February of this year. About a week later he attends an Indian congress at Rapid City, S.Dak., and this is what he says to the Indians:

The legislation, the bill draft, which we have put forward as our own best idea has been before Congress since February 6. The House Indian Committee has held four long record hearings on the bill already. The Senate hearings have begun. Our power and your power to secure legislation will be greater at the present session of Congress than you can be sure it was at the last. We are pretty sure we can put through Congress anything reasonable that the Indians and the administration agree on. The difficulty with Congress lies principally in getting Congress to embark upon a large program of expenditure. This 5 or 10 million dollars as the beginning of an Indian credit system; this \$2,000,000 a year as a beginning for the Indian land purchasing; and the \$5,000,000 to be spent for the cost of organizing the Indian self-government are very large amounts, but I would say that we stand a better chance of getting these large grants at this Congress than we would at the next Congress. That is because—and I have every reason to think that—the national debt will continue to roll up at an awful speed. It will increase by billions.

Again, it is impossible to predict, of course, what will happen at the next congressional election, which is not very far away, as you know. Nobody knows what is going to happen next fall. I find that the need of the Indian for relief is very great.

I will agree with the Commissioner that the next Congress will not be as favorable to bureaucratic administration measures as this Congress. However, if the Commissioner is as friendly to the Indians as he says he is, he should try and make atonements for the wrongs done the Indians at this Congress, which he claims favorable, instead of using this Congress to try his socialistic experiment on the Indian.

I should like to read further from the hearings to give Mr. Collier's views on another subject:

Mr. WERNER. That policy is set up as against the present civil-service employment?

Mr. COLLIER. In part.

Mr. WERNER. Is it to be construed that the policy of the Indian Department is to be against the retention of the present civil-service status as it applies here?

Mr. COLLIER. No; it is against compelling the Indian to qualify under provisions which only the white people can meet. However, we must not blind ourselves to the fact that the effect of this bill if worked out would unquestionably be to replace white employees by Indian employees. I do not know how fast, but ultimately it ought to go very far indeed.

Mr. WERNER. That situation does not exist at this time, does it?

Mr. COLLIER. It could not.

Mr. WERNER. The Indian has nothing whatever to say with reference to the retention or dismissal of a civil-service employee at this time?

Mr. COLLIER. Nothing.

Mr. WERNER. And it does not make any difference whether the civil-service employee is competent or incompetent, the Indian has nothing whatever to say.

Mr. COLLIER. Or even non-civil-service employee. The Indian has nothing to say at all anywhere down the line.

Mr. WERNER. In other words, a person employed on any of the several reservations can render highly detrimental service as against the interests of the Indians, and the Indian would not have any voice in the removal of that employee?

Mr. COLLIER. Correct; and if we put ourselves in the position of the Indian, we would see how it would outrage us; I, in my town of Mill Valley, or you, in your town, if we had someone from Washington dictating to us about different things, how would we like it? We would not endure it.

The Commissioner would not like to have a bureaucratic overlord in Washington telling him what to do, but he has no objection to having a Stalin in Washington over the Indians. He should invoke the Golden Rule, "Do unto others as you would have them do unto you."

The real governmental authority in this bill is handed over to the Secretary of the Interior, although you would not think so from the title of the bill. No real responsibility is imposed on the Indians. The Secretary of the Interior would have as much control over the Indians of the whole country, without any authority of Congress to interfere, as Stalin now has over the people of Russia. (See secs. 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, and 14 of original bill.)

A number of members of the committee have told me that this bill as amended is quite different from the original Collier bill; and if that is so, the President will veto the bill—at least that is what Mr. Collier told the Indians at their congress in Rapid City, S.Dak.; I quote from his statement:

This bill, along with the memorandum accompanying it—that mimeographed memorandum we have here—went to the President some little time ago. The President has examined the bill and favors it. That announcement was made to the House Committee on Indian Affairs by authority about 5 days ago. The President knows that we are taking this question back to the Indians. If the bill should become twisted into a wrong shape by Congress, if the bill should be made into something else which does not do what we are telling you, but does something different, then I think you may be confident that the President will veto the bill. I have not wanted to talk about the President's part in this because that is almost overwhelming in its influence. But he is going to stand back of this thing.

Now, in order to keep his word with the Indians the Commissioner will have to ask the President to veto this bill; and if he does not then it is another wrong added to the long list that the Indian Service has perpetrated on their wards.

I would like to call attention to the report that states:

Section 16 protects all claims and treaty rights of the Indian tribes against impairment by this act.

If you examine section 16, you will find that the word "treaty" is not mentioned. In section 2 of the amendment, beginning with line 7 on page 48 and ending with line 14 of the same page, you will find the following:

The authority of the Secretary of the Interior to issue patents in fee or certificates of competency, or otherwise to remove the restrictions on lands allotted to individual Indians under any law or treaty, is hereby revoked.

The fact is that this bill gives the Secretary of the Interior the authority to violate terms of a treaty.

I think the Secretary in his zeal for this legislation was overstepping his powers when he tried to take away the constitutional rights of free speech from employees of the Indian Service when he sent the following letter:

DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
Washington, April 30, 1934.

To all employees of the Indian Service:

The authorities in Washington have endeavored during the past year to develop a coordinated, modern Indian policy. Its purpose is to conserve the health and estate of the Indians and to train them to manage their own affairs. This involves the elimination of repression, the stimulation of initiative, and an opportunity for them to develop their own culture.

Those responsible for the policy realize the difficulties of any effort to adjust human relations, and consequently they do not ignore the right of those sincerely interested in the Indian to hold opposite views. It is not believed, however, that anyone can deny the need for establishing firmly a forward-looking policy instead of the random, divergent plans without number that have replaced each other for generations, frequently to the detriment of the Indians.

It was anticipated that there would be resistance to any plan designed to increase the protective features of the Indian policy and at the same time to decrease Federal overlordship; but it was not expected that employees of the Indian Service would deliberately attempt to obstruct the program that has been developed by those carrying the administrative responsibility. I fully appreciate the faithful service of the great majority of the employees across many years, and their loyalty to the new program. Unfortunately, however, I have increasing evidence that there is a subtle, misleading propaganda against the new Indian program emanating from a minority of employees within the Indian Service. Their action can only be characterized as disloyal and pernicious.

My purpose in addressing you is to notify all of those engaged in this scheme to defeat our program that a continuance will be under penalty of dismissal from the Service. It is not intended to deny to any employee the freedom of expression or the right to petition Congress, but these privileges do not carry with them the right to interfere with administration by undercover methods. There is a point at which such interference can be defined as insubordination to the detriment of the Service.

If any employee wishes to oppose the new policy, he should do so honestly and openly from outside of the Service. This would mean his resignation. Any other course is unscrupulous and is detrimental to the Indians because it acts on the Service like a canker. This condition has existed in the ranks for many years and has been partly responsible for the failures of the past. It retards and defeats the most conscientious effort toward good administration, and it will be summarily eliminated, wherever found, by dismissal.

Sincerely yours,

HAROLD L. ICKES,  
Secretary of the Interior.

I am opposed to any law that will retard Indian civilization, but I am for appropriations for health, work, education, and increasing the number of Indian employees in the Indian Service.

There are some good points in this bill that I could favor, but the bill as a whole is not to the interest of the Indians and therefore I cannot support it. I hope the membership of the House will vote against this bill.

I notice in the report a letter from President Roosevelt to the chairman of the Indian Affairs Committee in which he endorses the basic and broad principles set forth in the so-called "Wheeler-Howard bill." I am wondering why this letter was published in the report, as the bill reported out by the committee is an entirely different bill than the Wheeler-Howard bill, and this letter was based on the Wheeler-Howard bill.

It may be that Mr. Howard, who wrote the report, wanted to intimidate the Members of this House by saying, "You have heard your master's voice; now dare vote your political convictions." [Applause.]

[Here the gavel fell.]

Mr. COLLINS of California. Mr. Speaker, I ask unanimous consent that the gentleman from Wyoming may be allowed to proceed for 1 additional minute in order that I may ask him a question.

The SPEAKER pro tempore (Mr. BROWN of Kentucky). The gentleman's time allowed under a suspension of the rules has expired.

Mr. HOWARD. Mr. Speaker, I yield to the gentleman from Wyoming 1 additional minute in order that the gentleman from California may ask him a question.

Mr. COLLINS of California. Mr. Speaker, I desire to ask the gentleman from Wyoming if it is not true that the bill that is now before the House for consideration is permissive in nature and these Indians having the right of franchise can, by vote, declare it of no effect. Does not that appear in section 19 of the bill?

Mr. CARTER of Wyoming. I think that section so provides; yes.

Mr. COLLINS of California. No. The gentleman's objections go to the original bill.

Mr. CARTER of Wyoming. I object to both bills.

Mr. MEAD. Will the gentleman yield?

Mr. CARTER of Wyoming. I yield to the gentleman from New York.

Mr. MEAD. In the original bill the New York State Indians were excluded from the provisions of the bill. This was evidently brought to the attention of the committee by Mr. Collier. I wonder why the committee included the New York State Indians when they themselves are opposed to the bill?

Mr. CARTER of Wyoming. I am not a member of the committee.

Mr. HOWARD. I yield 2 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

THE REVISED AND AMENDED WHEELER-HOWARD BILL, 7902

Mr. HASTINGS. Mr. Speaker, on May 22, 1934, I discussed at length the provisions of the original Wheeler-Howard bill, H.R. 7902.

I invited particular attention to certain provisions which I urged should be eliminated. I discussed at length the harmful effect of the self-government features embodied in the bill, as applied to the Indians in Oklahoma, and particularly to the Five Civilized Tribes, where their affairs were practically wound up and with no forms of government recognized by the United States.

I objected also to the Indian court provisions as being unnecessary, urging that there were adequate court facilities in the State and Federal courts where the rights of all restricted Indians may be fully protected.

I emphasized then that I had no objection to additional appropriations to purchase land for the old and poor and landless Indians, if bought for their benefit in the nature of Indian subsistence homesteads without the self-government features. I called attention to the need for additional appropriations for health work, and made no objections to adequate appropriations for Indian education.

The revised bill, so far as the objections I made then and as applied to Oklahoma, eliminates the provisions I criticized.



Section 1 of the revised bill states a policy against the allotment in the future of land in severalty to Indians. All the Indian lands in Oklahoma have been allotted and this policy, of course, is subject to further study and legislation by Congress.

Section 2 continues the restrictive period on Indian allotted land until otherwise provided by Congress, but continues the authority of the Secretary of the Interior to remove restrictions on lands of members of the Five Civilized Tribes and makes no change in the procedure as to appointment of guardians.

Section 3 authorizes and directs that there be restored to tribal ownership the remaining surplus land of any Indian reservation heretofore open and makes provision for damages to be paid to the Papago Tribe for any permanent injury to the surface or improvements which they may sustain because of mining operations.

Sections 4 and 5, as amended, make it clear that the law of descent and distribution, the method of determining heirs, and the law with reference to the partitioning of lands, in force in Oklahoma, are not repealed, but remain in force, giving the Secretary of the Interior the preference right of purchasing for the benefit of other Indians the interest of restricted Indians in the land sold.

Section 6 authorizes the Secretary of the Interior to make rules and regulations for the operation and management of Indian forestry units.

Section 7 authorizes the Secretary of the Interior to add lands acquired under the act to existing Indian reservations.

Section 8 makes it clear that the act is not intended to affect Indian holdings or allotments on the public domain outside of an Indian reservation.

Section 9 authorizes the incorporation of a group of Indians of not less than 10 to promote and develop their individual and economic welfare. I think the number is too small, but the section provides for no self-government features.

Section 10 authorizes the appropriation of not to exceed \$250,000 per annum for the purpose of defraying the expenses in the organization of Indian chartered corporations.

Section 11 authorizes the appropriation of \$10,000,000 to be established as a revolving fund out of which the Secretary of the Interior may make loans to Indian chartered corporations for the purpose of promoting the economic development of such tribes and in defraying the expenses of administering such loans.

Section 12 authorizes the appropriation of a sum not to exceed \$250,000 annually for loans to Indians for the payment of tuition and other expenses in recognized vocational and training schools, and of this sum \$50,000 is made available for reimbursable loans to Indian students in high schools and colleges.

I do not hesitate to say what I attempted to emphasize on May 22 that I think the greatest mistake the present Bureau of Indian Affairs is making toward the Indian is in not utilizing all the present capacity of the various Indian boarding schools, both reservation and nonreservation, throughout the country.

Indian parents are anxious to send their children to these schools. They can be more than filled each year. Here each Indian child can receive elementary education and some vocational training which will aid him in meeting the responsibilities of citizenship thereafter. This could be done with but little additional expense, because the Government has the housing facilities sufficient to accommodate a large number of additional Indian students. If the restricted Indian children living on lands allotted to their parents scattered throughout the many former Indian reservations are not given an opportunity to attend boarding schools, few, if any, because of economic conditions, will attend the day schools. If these Indian boarding schools were continued to their present capacity 10 years more, the beneficial results would be seen and appreciated throughout every Indian tribe in the country.

Section 13 authorizes the Secretary of the Interior to establish standards of health, age, character, experience,

knowledge, and ability for Indian employees without regard to the civil-service laws.

The amendment to section 14 exempts the various Indian tribes in Oklahoma from sections 2, 4, 7, 9, 17, 18, and 19 of the act.

Personally I do not have any objection to section 9, where Indians may organize for their economic welfare, provided it is made clear that they are governed by the State and Federal laws and are subject to State and Federal courts as they are under existing law. This would give them the advantage of appropriations authorized by sections 10 and 11 of the act.

No good purpose could be served by prejudicing the allotted Indian against his local government and courts through the establishment of self-government Indian reservations, segregating them into communities set apart from association with white citizens with whom they must continue to dwell.

Section 15 is a legislative construction of existing legislation with reference to the Sioux Indians.

Section 16 makes it clear that suits pending in the Court of Claims in behalf of certain Indians are not intended to be in any way interfered with by the enactment of this bill.

If judgments are rendered in any of the cases brought on behalf of the Five Civilized Tribes the proceeds should be paid out per capita to the members of the respective tribes entitled thereto in the same way that I secured an appropriation to pay the Creek judgment in the deficiency appropriation bill. This would leave no tribal property to be administered, except the coal and asphalt deposits belonging to the Choctaws and Chickasaws, and therefore there would be no necessity for any further tribal governments.

Sections 17, 18, and 19 contain certain self-government features from which the Indian tribes in Oklahoma are excepted. Some of the Indian tribes in the western States retain some form of Indian government, as a council or business committee, with authority to make representations on behalf of their respective tribes. While I do not object to representation on behalf of the Indians, I think every tribe, wherever located, should be encouraged to assume full responsibility and obligation of citizenship and be subject to State and Federal laws and courts.

Section 20 prohibits interference by any official or employee of the Government with any Indian tribe in the free use and exercise of the powers conferred by this bill.

Section 21 attempts to define the term "Indian" and also the term "Tribe."

As I have already indicated, with the self-government features eliminated, so far as Oklahoma Indians are concerned, and with the Indian court features stricken out of the bill, and with the amendments agreed upon, I do not object to assistance by the Government in the form of and to the extent of the purchase of land for landless and indigent Indians, and to additional appropriations for health work and for Indian education.

I tried to emphasize on May 22 that in my judgment the subordinate employees of the Indian Service might with safety be exempted from the civil-service requirements which would enable the Indian Bureau to employ more Indians who speak the language of their respective tribes and that I thought that they would be more helpful than employing so many highly trained college graduates but without practical knowledge of Indians.

Mr. HOWARD. Mr. Speaker, I yield one-quarter minute to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Speaker, I have in my State several Indian reservations, one of which is larger than some States. I should like to have had the opportunity of discussing this bill at length. May I say that I have Indians in my State as intelligent as the average Anglo-Saxon? They vote in large numbers and take part in civic affairs. We have in Oregon three granges on Indian reservations, with many Indian members.

The Indians that I represent here are quite capable of deciding what they want. They have asked me to vote

against the passage of this bill. Under such circumstances I shall vote "no."

Under permission to revise and extend my remarks I include protests signed by Indians:

RESOLUTIONS PASSED AT MEETING AT CHILOQUIN, OREG., MARCH 27, 1934

We therefore tender the following objectionable features as hereinafter set forth, which is construed to mean by us as not to be our best welfare and interest to the end that we may secure to ourselves civil liberties and economic independence:

(a) While the bill proclaims local self-government and civil liberties, it does not recognize the first principles of self-government and civil liberties by depriving the right of representation in the proposed legislation.

(b) The discretionary powers as vested in the Secretary of the Interior heretofore unreviewable would still remain unreviewable under the proposed legislation.

(c) The bill as proposed stipulates creating within self-government functions aside and apart from other social communities, thus stimulating and creating without question racial prejudice.

(d) The bill further provides that any community once organized, any member of such community can withdraw and abandon the corporation with fair compensation for his or her equity in the tribal estate, which must lead ultimately to bankruptcy or insolvency of the community and a final dissolution of the tribal estate so incorporated, which is inconsistent to the first phase of the said proposed bill, which declares the perpetuation of the tribal estate.

(e) It forever abrogates our treaty rights with the United States Government and provides nothing to protect our property rights under the charter in the event that the charter is rejected.

(f) No provision is made where levying of assessment will not be a burden to the Indian community.

(g) "The power to sue and to be sued" is a very dangerous provision for the Indians.

#### Resolution

Whereas, we, the Klamath, Modocs, and Yahooskin Band of Snake Indians residing on the Klamath Indian Reservation in the State of Oregon, parties to the Treaty of October 14, 1934, and whereas the General Council of said Indians appointed S. E. Kirk, Boyd Jackson, J. L. Kirk, David Chocktoot, Werner Foster, and Clayton Kirk, under date of March 25, to study the proposed bill, and whereas said committee, after careful consideration of the proposed law, have made their recommendations hereto attached: Therefore be it

*Resolved*, That the said bill is not suitably designed to cover the situation surrounding the Indians of the said Klamath Reservation in Oregon. Therefore, the judgment of the said Indians is to comply with the recommendation of the committee named herein, and we, the said Indians, voice our expression opposing the enactment of the said proposed law.

S. E. KIRK, *Chairman*.  
BOYD E. JACKSON, *Secretary*.  
CLAYTON DICK.  
DAVID CHOCKTOOT.

WASHINGTON, D.C., June 9, 1934.

HONORABLE SIR: We the undersigned, duly constituted delegates, representatives, and headmen of our various tribes of the Indians of the United States, do hereby respectfully protest against the passage of the so-called "Wheeler-Howard bill" (H.R. 7902 and S. 3645), on the grounds that it violates the constitutional rights of the Indians to free speech, free press, and free assemblage.

It does not provide for the freedom of self-government. It is not necessary legislation, because the Secretary of the Interior and the Commissioner of Indian Affairs now have full power and authority to carry out most of the provisions of this bill.

Every tribe of Indians in the United States, practically, is in a deplorable condition today. This legislation, if enacted, would not remedy conditions which have been brought upon the Indians by 100 years of Bureau control.

Do you wish 250,000 human beings continued in the bondage of slavery to a Bureau in which they have no voice?

We leave the matter of this proposed bill to your own best judgment, confident that you will gladly heed the call for help from the Indians themselves.

Very respectfully yours,

Winslow J. Couro, Santa Ysabel Mission Indians, California;  
Delos K. Lonewolf, Kiowa, Comanche, and Apache, Oklahoma; Levi Walker, Klamath Tribe, Oregon; Joshua Jones, Chief of Six Nation Confederacy, New York; Jesse Lyons, Chief of Onondaga Nation, New York; Joseph Brooks, Siouan council, North Carolina; Adam Castillo, president Mission Indian Federation, California; Alfred Minugh (individually), Gros Ventre, Montana; Joseph Bruner, president Indian National Confederacy, Oklahoma; Alice Lee Jemison, secretary to president, Seneca Nation, New York.

NOTE.—Original letter on file with Chief Adam Castillo, 44 Independence Avenue, Washington, D.C.

PENLETON, OREG., June 12, 1934.

HON. W. M. PIERCE,  
*Congressman, Washington, D.C.*

DEAR SIR: We, the undersigned, as the chiefs and headmen of the Cayuse, Walla Walla, and Umatilla tribes of Indians residing

upon the Umatilla Indian Reservation in the State of Oregon, hereby object to the terms and conditions of Senate bill no. 3645, now pending before the Senate of the United States, and which purports to be a bill to conserve and develop Indian lands and resources; to establish a credit system for the Indians; to provide for higher education for the Indians; to extend toward the Indians the right to form business and other organizations; and for other purposes.

This act provides that no land of any Indian Reservation hereafter shall be allotted in severalty to any Indian; it extends the trust period placed upon Indian lands and extends the restrictions upon alienation. It authorizes the Secretary of the Interior to restore to tribal ownership the remaining surplus land upon any Indian Reservation heretofore opened or authorized to be opened to sale or any other form of disposal by Presidential proclamation or any public-land laws of the United States. It clothes the Secretary of the Interior with discretion to acquire, through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without existing reservations. It vests in the tribes and the tribal council the right and power to employ legal counsel, the choice of counsel, and the fees to be subject to the approval of the Secretary of the Interior. It prevents the sale, disposal, leasing, or encumbering of tribal lands or any interest in lands or other tribal assets without the consent of the tribe.

This act provides that the Secretary of the Interior may, upon petition by at least one-fourth of the adult Indians, issue a charter of incorporation to such tribe, provided that such charter shall not become operative until ratified at a special election of the adult Indians living upon the reservation. It provides that such charter may convey to the incorporated tribes the power to purchase, take by gift, or bequest, or otherwise, own, hold, manage, operate, and dispose of property of every description, real and personal, including the power to purchase restricted Indian lands and to issue in exchange therefor interests in corporate property, and such further powers as may be incidental with law, but no authority shall be granted to sell, mortgage, or lease for a period exceeding 10 years any of the land included in the limits of the reservation.

Under the proposed act an appropriation is authorized out of the funds in the Treasury Department not otherwise appropriated of such a sum of money as may be necessary, but not exceeding \$250,000 in any fiscal year, to be expended on the order of the Secretary of the Interior in defraying the expenses of the tribal organization created thereby.

The act provides there shall be appropriated \$10,000,000 from the Treasury as a revolving fund to be placed in the hands of the Secretary of the Interior under such regulations and rules as he may prescribe to make loans to Indian tribes or Indian chartered corporations, and it apparently creates a lien upon all lands held by such corporation for the repayment of such money. In addition to these immense sums it provides for an annual appropriation of \$250,000 together with unpaid balances of previous appropriations made pursuant to said section for the payment of tuition and other expenses of Indians in recognized institutions of learning for higher schools and colleges, which shall be gratuitous or reimbursable under rules established by the Commissioner of Indian Affairs.

If this proposed legislation becomes a law, it will be detrimental to the best interests of the tribes residing upon this reservation. It will deprive the children of Indians who live here from being allotted in severalty as their relatives have been allotted on lands still remaining undisposed of on said reservation. It extends the trust period on Indian lands and the restriction on alienation.

The Indians upon this reservation are citizens of the United States, entitled to all the rights, privileges, and immunities as such, and the Government has been educating them ever since the passage of the act conferring citizenship upon them in the duties of citizenship, the establishment of homes, and the management of their own property.

We look upon the proposed act as class legislation, not in harmony with the spirit of the Constitution or laws of the Republic. It deals with these Indians as an alien and foreign race. It ignores the fact that these tribes and their ancestors owned all the lands embraced in this reservation. They had peaceable and undisputed possession, and much blood was shed and millions of dollars was spent by the Government to force these Indians to relinquish their rights of occupation. They dealt with the Government at first as sovereign and independent nations. They settled their rights by negotiation and treaty, but, being the weaker party, they were forced to submit to being confined within the limits of a reservation and the acceptance of lands in severalty was forced upon them, and now, when they are accustomed to look upon these allotments as their individual property, it is proposed by the same Government to deprive the individuals constituting the membership of the tribes of all initiative, of all power of individual thinking and planning, and lastly to deprive them of the right to handle and manage their own property.

This act tends to place them at the mercy of corporations managed and controlled by men educated to manipulate the affairs of an entire people. This constitutes a reversal of the policy under which these reservations and these tribes have been handled and managed since the allotment in severalty for the Government divested the headmen of the tribes of all authority and the tribes of all power; it destroyed the ties that bound the individual to the tribe, and ever since that time the Indians have

been educated to look after their own affairs and to imitate the ways of the white man.

When this law becomes effective, all property, both real and personal, will pass into the hands of a select few to manage and control it. The majority of the members will soon begin to retrograde instead of advancing. The greater part of the individuals will become serfs bound to the soil but having a lord and master to regulate their business affairs.

It is proposed to make an appropriation from the United States Treasury of \$2,000,000 for the purpose of organizing these corporations. We observe there is no provision made for assistance to the individual in the act; no provision for the education of the common run of Indians who are incapable, perhaps, of receiving higher education, but who are capable of earning a living for themselves and their families and providing homes of their own if given the opportunity and the necessary education to enable them to successfully carry on the work of farming or stock raising, or other useful occupations.

We further observe there is no provision being made for the purpose of training them in agricultural pursuits or in stock growing, at which, by nature and training, they are naturally adapted.

No appropriation is being made for the improvement of their homes or their home life or for the teaching to them the rudiments of mechanical arts so that they may build homes and ornament and beautify the reservation upon which they reside.

These Indians can be made self-supporting without the expenditure of one-third of \$10,000,000 by the Government if it will only teach them the useful and practical things of life instead of teaching them poetry, music, and art as it has been doing in the past.

The proposed legislation must necessarily lead the Indians to the conclusion that their system was right and that the Government's system was wrong, for the Government is now adopting a method of tribal control of property which it attempted for more than 30 years to entirely destroy, and by adopting this act the Government apparently concedes that the Indians are better qualified to administer their own property under tribal law than the Government, yet the Government, apparently, wants to retain unrestricted control.

AMOS POND, his (X) mark,  
*Chief of Umatilla Tribe.*

JIM KANINE,  
*Chief of Walla Walla Tribe.*

GEORGE REDHAWK, his (X) mark,  
*Chief of Cayuse Tribe.*

Witnesses:

ANDREW GEORGE,  
JAMES KARL KARL.

Interpreter:

A. J. BARNHART.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include numerous protests from these Indians.

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

There was no objection.

Mr. HOWARD. Mr. Speaker, I yield 1¼ minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker, I understand that the Klamath Indians of Oregon are among those Indians who object to coming under the bill and explain opposition expressed, but may I say that according to statements that have come to me, 164,000 Indians have voted in favor of the principles of the bill as originally reported with only 22,000 voting against, or in round numbers, about 7 to 1 in its favor. May I say also that the gentleman who is in charge of this whole measure, Mr. Collier, has been subjected to some criticism by the gentleman of the minority?

I traveled 4,500 miles with Mr. Collier several years ago, long before this matter came up, all through 20 or more Indian reservations of the West, including New Mexico and other Western States. We visited the Navajos, Apaches, Pueblos, Zunis, and many other tribes of Indians from Montana to Arizona and California. We discovered conditions out there that were indefensible, conditions approved and defended by Bureau officials. Exposure of Bureau methods resulted in getting rid of the Indian Commissioner and also the Assistant Indian Commissioner. We sought to recommend improvements in methods of handling and did all we could to revolutionize and change Indian conditions. I do not know of anyone who has done as much to better the surroundings and opportunities of his present wards than the present Indian Commissioner, and I am willing to trust Mr. Collier's judgment and the judgment of this splendid committee in preparing the bill and fashioning the legislation now before us. It may not be perfect, but I submit it will

be a decided improvement over existing law and result in bettering Indian conditions. The bill should be supported.

Mr. Speaker, I yield back the balance of my time.

Mr. HOWARD. I yield one-quarter of a minute to the gentleman from South Dakota [Mr. WERNER].

Mr. WERNER. Mr. Speaker, the gentleman from Wisconsin [Mr. FREAR] has just spoken with reference to the vote of approval which the Indians have given this legislation. I assert that not a single Indian affected by this legislation has been privileged to register a favorable or an unfavorable vote on the bill that is being considered by the House today. Their votes were taken on the so-called "Wheeler-Howard bill", which bill the House Committee on Indian Affairs laid on the table in the committee where it is still resting. All that was salvaged of that bill was the number and the enacting clause. The members of the committee who were opposed to the original Wheeler-Howard bill—and they were in an overwhelming majority—set about to rewrite the bill and having concluded that task, favorably reported, by a unanimous vote, the bill which the House is considering at this time.

Mr. Speaker, we are not considering the Wheeler-Howard bill. That bill has long since been dead. We are, however, considering a bill that was written by a majority of the members of the committee who vigorously opposed the widely publicized Wheeler-Howard bill, and who today would oppose the Wheeler-Howard bill as originally presented to our committee if it was before the House. The bill which was passed by the Senate a day or two ago has many provisions which the House Committee on Indian Affairs are opposed to, and that is the reason, Mr. Speaker, why, in calling up the Senate bill today, the House bill was offered as an amendment to the Senate bill.

A majority of the House committee could not, and would not, in my opinion, support many of the provisions of the Senate bill, and should it be brought back to the House by the conferees many of us would be compelled to oppose the acceptance of the conference report. The House bill is in complete harmony with the administration's proposal that the Indians be declared in on the new deal. This legislation will bring to the Indians a new deal and a new day if the provisions of this bill which this House will pass today are sanely and wisely administered. There is opportunity in this bill for administrative forces in charge of Indian affairs to show their mettle. There is opportunity for something worth while to be done for the long-mistreated and neglected North American Indian.

Mr. Speaker, time does not permit a discussion of this bill, or of an analysis of the provisions of the Wheeler-Howard bill, which would clearly show that the members of the committee who are responsible for this legislation had in mind the protection of the rights of the Indian. This bill is in harmony with the President's letter to the honorable chairman of our committee, and I shall vote for this bill because I think it goes a long way toward solving the Indian problem.

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Speaker, this bill has been revised, reprinted, amended, and so forth, so many times that it has little resemblance to the original Wheeler-Howard bill.

I have about 25,000 Choctaw and Chickasaw Indians in my district. They are a very intelligent class of people but I doubt if they are familiar with the latest issue of the House bill. The Choctaw Indians discussed the Senate bill in a convention at Goodland a few days ago and the principal chief of the Choctaws, Hon. Ben Dwight, wrote me a letter setting forth their reaction, which is as follows:

DURANT, OKLA., June 11, 1934.

HON. WILBURN CARTWRIGHT, M.C.,

House Office Building, Washington, D.C.

DEAR MR. CARTWRIGHT: Thanks for sending me the copies of the revised Wheeler-Howard bill. At our convention we considered the Senate bill no. 3645 and after a very thorough discussion of same the delegates, with the exception of two, were in favor of urging the passage of said bill with some few minor amendments and the amendment of section 15 so as not to exclude our Tribe from the other provisions thereof.

The Choctaws are very much in earnest about wishing to have the privilege of coming within the provisions of this bill and I hope that you can conscientiously work toward this end.

Sincerely yours,

BEN DWIGHT.

I wish to say that Chief Dwight is three-fourths Choctaw Indian. He is highly educated, holding a degree from Leland Stanford and from Columbia. My whole object and intent is to represent these people, and what they want is what I want.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to insert a letter indicating opposition to this bill from the New York State Indians who do not want to be covered by it.

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

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD so that they may appear in the debate on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FREAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FREAR. Mr. Speaker, I suggest that my friend the gentleman from Michigan [Mr. MAPES] has done slight credit to the intelligence and patriotism of the missionaries and the churches who know Indian conditions on their reservations. He has quoted certain missionaries who evidently are uninformed. I have visited these reservations and know whereof I speak. A statement by the secretary for Indian work of the Board of National Missions of the Presbyterian Church in the United States, Dr. J. M. Sommerndyke is nearer the truth when he writes:

In its purpose to conserve and develop Indian land ownership, the Wheeler-Howard bill represents the most constructive plan that has been proposed by any previous Administration of Indian affairs for the safeguarding of Indian land from complete alienation. It aims to correct the flagrant injustices of the land-allotment policy. In opening the way for Indian communities to assume self-government under Federal guidance—if and when such groups request such privileges and when, in the judgment of the Department of the Interior, they are competent to assume such responsibilities—the Wheeler-Howard bill aims to give the Indians an opportunity to exercise at least some of the prerogatives involved in the citizenship which was conferred upon them by a previous administration.

In providing ways and means for the training of the rising generation of Indians to cope successfully with the problems of Indian social and economic life in conformity with the highest ideals of the civilization of which they are a part, the Wheeler-Howard bill wisely recognizes the necessity of a curriculum for Indian education that is adapted to their particular needs and problems. It marks the beginning of an era of social and economic advance for the Indians, which should result in an enhancement of their own self-respect; and if wisely and successfully administered it should win them the respect of their fellow Americans, regardless of racial distinction.

That statement, I may say, is based on personal observation.

A broad endorsement of the Wheeler-Howard bill by the director of the Bureau of Catholic Indian Missions, the Right Reverend Monsignor William Hughes, is in like praise of the bill; an endorsement by Bishop Freeman, of the Washington Cathedral in this city; a telegram from the supreme regent of the Catholic Daughters of America gives unconditional endorsement by the 200,000 members in 45 States; and I read the words of the missionary supervisor of the Episcopal Church for South Dakota, the Reverend Levi M. Rouillard, who says:

I am very much in favor of the new move taken by you on our behalf. I heard you speak, giving explanations of the Wheeler-Howard bill at Rapid City during the Plains Indian Congress. I

am rather disappointed, though, to hear negative views concerning the new move. \* \* \* They are constantly pumping prejudice into the Indians against the new move. But this is to assure you that I am back of you and wish to see you continue your fight to the finish.

The churches and their missionary representatives should want the Wheeler-Howard bill. They have not been misled by false reports or prosecuted the legalized robbery of Indian wards. They are not of the notorious bureaucracy which for two lifetimes has been sitting on the backs of the Indians. They want the Indians to live, to achieve a reasonable standard of living, and to be free men, and the evidence submitted shows that they want the Wheeler-Howard bill, which holds out a promise of a better Indian policy and protection to the ones so long exploited.

Mr. Speaker, letters from certain Indians have been read or offered for the RECORD, I am informed, to show that Indians quoted are not themselves in favor of this bill. But the printed hearings of the Indian Committee of this House display in documented and tabular form the actual Indian verdict on the bill, and that verdict is overwhelmingly favorable, whether the count be taken by tribal units or by individual votes.

The printed record also shows that the Indians know what it is they are endorsing. The record of the deliberations of the tribes at numerous congresses called to discuss the bill is a document estimated to contain more than a half million words. It has been supplied to the committees of the House and the Senate and has been widely distributed. The printed hearings of the House Indian Committee, I am informed, while voluminous, do not reveal the scrutiny of the bill any more exhaustive than that which the Indians themselves have carried out, as proved by the record of their congresses. The Indians have voted in favor of the Wheeler-Howard bill to the number of 164,287 and against it to the number of 22,586. As stated in debate, this is more than 7 to 1 favoring the bill.

I have given the record facts, and offer for the RECORD a statement given to the press on June 13 by the Interior Department which answers unwarranted criticism and deals with an opposition that I learn has become active in the lobbies of the House and the Senate in recent hours.

The eleventh-hour attack on the Wheeler-Howard Indian-rights bill launched in the press by a Miss A. J. Jimerson, a mixed-blood Seneca Indian of New York, today was denounced as "a series of misstatements" by John Collier, Commissioner of Indian Affairs. "Miss Jimerson," Commissioner Collier stated, "denies, to quote her own words, 'that the Five Civilized Tribes of Oklahoma have endorsed the bill.' She refers to 'a memorial from the Five Tribes strongly protesting against its enactment. They constitute a majority of the Indians in Oklahoma.'"

"None of the Five Tribes has in fact protested against the Wheeler-Howard bill. On the contrary, the Choctaw Nation as a whole, with 16,641 members, has endorsed it; the Chickasaw Nation as a whole, with 4,685 members, has endorsed it; the Creek Nation as a whole, with 8,607 members, has endorsed it; and the full-blood organization of the Cherokees, known as the 'Kee-too-wah Society', with 6,000 members, has endorsed it. The Seminoles, numbering 1,789, have not as yet gone on record.

"Miss Jimerson states 'there are present in Washington now duly delegated representatives from many tribes of the United States who are bitterly opposed to the passage of this bill. \* \* \* These tribes from California, Oregon, Montana, North Carolina, and tribes from other States who have filed protests against this bill, represent more than half the Indian population of the United States.'"

"The 'duly delegated representatives' of the Indians of California, whom Miss Jimerson refers to, are a white man named Frederick G. Collett, from San Francisco, and another white man named Purl Willis, from San Diego, Calif. Accompanying Mr. Willis are two Mission Indians, officers of the so-called 'Mission Indian Federation'; but that federation is not a tribe or a tribal council, nor composed of tribes or of tribal councils. These gentlemen have been appearing before the House Indian Committee in advocacy of legislation to bestow upon certain private attorneys a very large sum of money belonging to the California Indians, which money will be derived by these Indians from the pending Court of Claims suit which the State of California is prosecuting in their behalf. In excess of \$1,000,000, taken from the California Indians without their consent and paid to these private lawyers for no commensurate services rendered, is the stake for which these so-called 'delegates' are fighting. The Interior Department has supplied the facts to the House committee and the committee has blocked the audacious enterprise of these 'delegates.'"

"As for North Carolina, its only tribe under Federal guardianship is the Eastern Cherokee, and that tribe has unanimously en-

dorsed the Wheeler-Howard bill, has petitioned for it, and has testified for it through tribal delegates who appeared at the hearings.

"The total of Indians who have registered in favor of the Wheeler-Howard bill is 164,287. The total who have registered against it is 22,586. The records of the official votes have been printed by the House Committee on Indian Affairs.

"Miss Jimerson's remarks on the Wheeler-Howard bill do not describe the bill in a single concrete particular. She might be thought to have confused the Wheeler-Howard bill with some other bill; but her remarks do not fit any other bill any more accurately."

Mr. Speaker, I assume this statement is based on facts, and knowing the methods of those who exploit the Indians and others having slight knowledge of the general subject, I am certain those now vested with responsibility and authority are seeking to correct some of the wrongs and injustices practiced by the Indian Bureau during the last half century.

I am submitting a brief letter from Indian Commissioner Collier that explains and points out the essential new legislation presented in the Wheeler-Howard bill now before Congress for passage.

UNITED STATES DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE COMMISSIONER OF INDIAN AFFAIRS,  
Washington, D.C., June 15, 1934.

HON. JAMES A. FREAR,  
House of Representatives.

DEAR MR. FREAR: The essentials of the Wheeler-Howard bill, as originally introduced, are contained in the House and Senate drafts as reported by the committees of these bodies.

There are two important exceptions to this statement. The subject of court jurisdiction and law-and-order enforcement, dealt with in title IV of the bill as introduced, awakened so much debate that upon the request of the Department's representatives consideration was adjourned until the next Congress. The other exception, a regrettable one, is that nearly all of the benefits of the bill are withheld from the Indians of Oklahoma, by both the Senate and the House drafts.

But leaving aside Oklahoma, the main essentials of the original bill are kept with full force in one or both of the drafts as reported by the two committees, specifically:

1. Future land allotment is prohibited.
2. The trust period is everywhere extended.
3. The acquisition of land for landless Indians is authorized, with \$2,000,000 a year appropriated for this purpose.
4. Tribal corporations are authorized and these may accept relinquishments of the title to allotted lands in exchange for cash or for shares in the corporation.
5. A system of financial credit for Indians is established and \$10,000,000 is authorized as a revolving fund for this purpose.
6. Indian tribes are permitted to organize. When organized, the Executive cannot rescind their organization, and the organized tribes are given important powers, particularly in matters affecting tribal funds and the expenditures of the Indian Service.
7. Indians who may qualify for the jobs of Indian Service are exempted from civil-service requirements.
8. The training of Indians in colleges and trade and professional schools for leadership of their people and for success in the outside world is provided for, \$250,000 a year being authorized.
9. The Secretary of the Interior is authorized and directed to apply the principles of conservation to Indian forests and range lands, through comprehensive and effective language.
10. The undisposed-of surplus and ceded lands, about 2,000,000 acres, are restored to tribe ownership.

The original bill sought to establish a profoundly changed Indian policy on lines clearly set down. The pending bill would establish this profoundly changed Indian policy on the lines set down in the original bill, although with many of the details and mechanisms are now worked out somewhat differently.

The overwhelming Indian referendum in favor of the bill as introduced fully applies to the pending bill. And could the referendum be held again, now that time has elapsed permitting a fuller understanding of the measure, I have no doubt that the referendum would be still more overwhelming. When the tribes vote on coming under the bill or staying out, I anticipate that at least 98 percent of the Indians will vote to come in. I hope that the Oklahoma Indians may be permitted to take part in this proposed Indian referendum, because if they are permitted to vote, the Oklahoma Indians will vote 4 to 1, or better, in favor of being allowed to enjoy the protections of the bill and to organize for their common welfare.

Sincerely yours,

JOHN COLLIER, Commissioner.

Mr. Speaker, I offer a few words further on the particular merits of the bill. Some years ago I served actively on the Indian Affairs Committee of this House. At my own expense I went to many reservations in many Western States, sitting in at their conferences and learning their complaints and problems. I gave energy and thought to this long-vexed problem of the Indian first hand, and then sought to protect them from notorious bureaucratic mismanagement

by blocking sale of Indian oil lands and preventing other Bureau methods of injury to Indian welfare and property.

The land-allotment system had worked out in an opposite manner from that which the founders of the system had intended. Instead of preventing the loss of lands by Indians it has in effect compelled the loss of land, and as the chairman of the committee pointed out a few minutes ago, it has cut the Indian landholdings down by more than 90 million acres, leaving only 47 million acres, and half of that is desert or semidesert land not worth a dollar an acre. That picture is more convincing than all the high-spun theories of self-interested critics. Instead of emancipating the Indian from bureaucratic control, the allotment system has wound him about with new and still more paralyzing paternalistic restrictions. Whatever the original purpose, the facts speak for themselves.

The Indian Service in the allotted areas is far more costly to the Government, we learn, than in the unallotted areas, and yet in the allotted areas the Indian lands continue to melt away while in the unallotted areas they increase. There has appeared to be no escape under the original allotment plan unless we repudiate Federal responsibility for these unfortunate wards. There has seemed to be no other way to end the ruining paternalism and stop the waste of several million dollars yearly spent in the real-estate administration of allotments by the Government. The bill which the House is now considering furnishes the answer.

The gentleman from Pennsylvania [Mr. KELLY] is, in my judgment, correct when he states, as he did a few minutes ago, that the Wheeler-Howard bill is a reversal of established policy. I testify to his sincerity and splendid service in the past for the American Indians, but that established allotment policy has forced Indian lands out of Indian ownership through allotment, according to all the information I have and to hold the individual allotted Indian in a period of serfdom during the intervening years until through sale of his lands by the Government he became landless; to deny financial credit to the Indians; to deny technical and higher education to the Indians; and above all else, to deny to the Indians the right or privilege of organizing to defend and help themselves. This is what the established policy has been charged with bringing about. These particular features of the established policy are what the pending bill reverses.

As I understand it, the bill in its earlier form as introduced had the same principles as the bill now awaiting a vote. What have been changed are the details and the mechanisms of the bill, but not the principles of the bill, and that, I understand, is why the President, by personal letter, Secretary Ickes, and Indian Commissioner Collier are urging the pending bill just as earnestly as they favored the original draft.

I believe the bill will pass. I am confident that if it contains imperfections these will be remedied by Congress. And I feel encouraged over the future at this time, because I know that a new, a better epoch has dawned for our red fellow citizens. The chapter of past Government control of the American Indians is a continuous story of exploitation of Indian property and personal rights by the Indian Bureau that controlled both. I am saying this impersonally, of a notorious vicious policy, now reversed by Secretary Ickes and Commissioner Collier, both of whom seek to give these wards of the Nation complete protection. As one who has studied Indian needs on the reservation and at Washington headquarters, I predict the new policy will revolutionize conditions and bring about a better day and brighter hopes for the original owners of America to whom we owe protection. That is promised under the bill now before us and by new administrators who have Indian interests and welfare at heart.

#### INDIAN SELF-GOVERNMENT

The SPEAKER pro tempore. The question is on the motion of the gentleman from Nebraska to suspend the rules and pass the bill as amended.

The question was taken; and on a division (demanded by Mr. BLANCHARD) there were—ayes 95, noes 30.

Mr. CARTER of Wyoming. Mr. Speaker, I make a point of no quorum, and I object to the vote on the ground there is no quorum present.

The SPEAKER pro tempore. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 258, nays 88, answered "present" 1, not voting 82, as follows:

[Roll No. 191]

YEAS—258

Abernethy	Doughton	Kennedy, Md.	Robertson
Adair	Doxey	Kenney	Robinson
Adams	Drewry	Kloeb	Rogers, N.H.
Allen	Driver	Kniffin	Rogers, Okla.
Arens	Duffey	Kocialkowski	Romjue
Arnold	Duncan, Mo.	Kopplemann	Ruffin
Ayers, Kans.	Durgan, Ind.	Kramer	Sabath
Ayres, Mont.	Eagle	Kvale	Sadowski
Bankhead	Eicher	Lambertson	Sanders, La.
Beam	Ellenbogen	Lambeth	Sanders, Tex.
Berlin	Elzey, Miss.	Lamneck	Sandlin
Biermann	Englebright	Lanham	Schaefer
Bland	Evans	Lea, Calif.	Schuetz
Blanton	Faddis	Lehr	Schulte
Bolleau	Farley	Lemke	Sears
Boland	Fiesinger	Lesinski	Secrest
Boylan	Flannagan	Lewis, Colo.	Shallenberger
Brown, Ga.	Fletcher	Lewis, Md.	Shannon
Brown, Ky.	Focht	Lloyd	Sinclair
Buchanan	Foulkes	Lundeen	Smith, Va.
Buck	Frear	McCarthy	Smith, Wash.
Burke, Nebr.	Frey	McCormack	Smith, W.Va.
Busby	Fuller	McDuffie	Snyder
Byrns	Fulmer	McFarlane	Spence
Cady	Gilchrist	McGrath	Steagall
Caldwell	Gillespie	McGugin	Strong, Tex.
Cannon, Mo.	Gillette	McMillan	Stubbs
Carden, Ky.	Glover	McReynolds	Tarver
Carmichael	Goldsbrough	McSwain	Taylor, S.C.
Carpenter, Kans.	Goodwin	Maloney, Conn.	Terry, Ark.
Carpenter, Nebr.	Goss	Maloney, La.	Thom
Carter, Calif.	Granfield	Mansfield	Thomas
Cartwright	Gray	Marshall	Thomason
Castellow	Green	Martin, Colo.	Thompson, Ill.
Chapman	Greenway	May	Thompson, Tex.
Chavez	Greenwood	Meeks	Tobey
Christianson	Gregory	Miller	Traeger
Cochran, Mo.	Griswold	Milligan	Turner
Colden	Guyer	Mitchell	Turpin
Cole	Hancock, N.C.	Monaghan, Mont.	Umstead
Collins, Calif.	Hart	Montague	Underwood
Colmer	Harter	Montet	Utterback
Condon	Hastings	Moran	Vinson, Ga.
Connery	Henny	Morehead	Vinson, Ky.
Cooper, Tenn.	Hildebrandt	Moynihan, Ill.	Wallgren
Cox	Hill, Ala.	Murdock	Walter
Cravens	Hill, Knute	Musselwhite	Warren
Crosby	Hill, Samuel B.	O'Brien	Wearin
Cross, Tex.	Hoeppl	O'Connor	Weideman
Crosser, Ohio	Hoidale	O'Malley	Welch
Crowe	Hope	Oliver, Ala.	Werner
Crump	Howard	Oliver, N.Y.	West, Tex.
Cummings	Hughes	Owen	Whittington
Dear	Imhoff	Palmisano	Wilcox
Deen	Jacobsen	Parker	Williams
DeRouen	James	Parsons	Wilson
Dickinson	Jenckes, Ind.	Patman	Withrow
Dickstein	Johnson, Minn.	Peterson	Wolverton
Dies	Johnson, Okla.	Polk	Wood, Ga.
Dingell	Johnson, Tex.	Ramsay	Wood, Mo.
Dirksen	Johnson, W.Va.	Ramspeck	Woodrum
Disney	Jones	Rankin	Young
Dobbins	Kahn	Rayburn	Zioncheck
Dockweller	Kee	Reilly	
Dondero	Keller	Richards	

NAYS—88

Andrew, Mass.	Cullen	Knutson	Reece
Andrews, N.Y.	Darrow	Kurtz	Reed, N.Y.
Bacharach	Delaney	Lanzetta	Reid, Ill.
Bakewell	Ditter	Larrabee	Rich
Beck	Eaton	Lehibach	Rogers, Mass.
Beedy	Edmonds	Luce	Rudd
Beiter	Eitse, Calif.	Ludlow	Simpson
Black	Fitzgibbons	McFadden	Sisson
Blanchard	Foss	Mapes	Snell
Bloom	Gavagan	Martin, Mass.	Somers, N.Y.
Boehne	Griffin	Martin, Oreg.	Strong, Pa.
Britten	Hancock, N.Y.	Mead	Sutphin
Brunner	Hartley	Merritt	Sweeney
Burnham	Hess	Millard	Taber
Carter, Wyo.	Higgins	Mott	Taylor, Tenn.
Celler	Hollister	Perkins	Tinkham
Clarke, N.Y.	Holmes	Pettengill	Wadsworth
Cochran, Pa.	Jenkins, Ohio	Peysner	Waldron
Connolly	Kelly, Ill.	Pierce	Whitley
Cooper, Ohio	Kelly, Pa.	Plumley	Wigglesworth
Crowther	Kennedy, N.Y.	Powers	Wolcott
Culkin	Kinzer	Ransley	Wolfenden

ANSWERED "PRESENT"—1

Dunn

NOT VOTING—82

Allgood	Collins, Miss.	Kerr	Shoemaker
Auf der Heide	Corning	Kleberg	Sirovich
Bacon	Darden	Lee, Mo.	Stalker
Bailey	De Priest	Lindsay	Stokes
Bolton	Douglass	Lozier	Studley
Brennan	Doutrich	McClintic	Sullivan
Brooks	Dowell	McKeown	Summers, Tex.
Brown, Mich.	Edmiston	McLean	Swank
Browning	Fernandez	McLeod	Swick
Buckbee	Fish	Marland	Taylor, Colo.
BuFinkle	Fitzpatrick	Muldowney	Terrell, Tex.
Burch	Ford	Nesbit	Thurston
Burke, Calif.	Gambrill	Norton	Trudway
Cannon, Wis.	Gasque	O'Connell	Truax
Carley, N.Y.	Gifford	Parks	Weaver
Cary	Haines	Peavey	West, Ohio
Cavicchia	Hamilton	Prall	White
Chase	Harlan	Randolph	Willford
Church	Healey	Richardson	Woodruff
Claborne	Huddleston	Scrugham	
Clark, N.C.	Jeffers	Seeger	

So two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Messrs. O'Connell and Weaver (for) with Mr. Carley (against).  
 Messrs. Healey and Gambrill (for) with Mr. Sirovich (against).  
 Messrs. Haines and Cary (for) with Mr. Stokes (against).  
 Messrs. Darden and White (for) with Mr. Studley (against).  
 Messrs. McKeown and Swank (for) with Mr. Treadway (against).  
 Messrs. Woodruff and Peavey (for) with Mr. Corning (against).  
 Messrs. McClintic and Cannon of Wisconsin (for) with Mr. Gifford (against).  
 Messrs. Brooks and Clark of North Carolina (for) with Mr. Swick (against).  
 Messrs. Douglass and Gasque (for) with Mr. Fitzpatrick (against).  
 Messrs. Hamilton and Lee of Missouri (for) with Mr. Lindsay (against).  
 Messrs. Harlan and Kerr (for) with Mr. Sullivan (against).  
 Messrs. Randolph and Scrugham (for) with Mr. Doutrich (against).  
 Messrs. Richardson and Taylor of Colorado (for) with Mr. Truax (against).

Until further notice:

Mr. Bailey with Mr. Dowell.  
 Mr. Lozier with Mr. Seeger.  
 Mrs. Norton with Mr. Bacon.  
 Mr. Brennan with Mr. Thurston.  
 Mr. Parks with Mr. Bolton.  
 Mr. Huddleston with Mr. McLeod.  
 Mr. Church with Mr. Cavicchia.  
 Mr. Burch with Mr. Fish.  
 Mr. Bulwinkle with Mr. Muldowney.  
 Mr. Fernandez with Mr. Stalker.  
 Mr. Kleberg with Mr. McLean.  
 Mr. Burke of California with Mr. Chase.  
 Mr. Brown of Michigan with Mr. Buckbee.  
 Mr. Shoemaker with Mr. De Priest.  
 Mr. Ford with Mr. Edmiston.  
 Mr. Willford with Mr. Browning.  
 Mr. Collins of Mississippi with Mr. Allgood.  
 Mr. Auf der Heide with Mr. Nesbit.  
 Mr. Claborne with Mr. Jeffers.  
 Mr. Prall with Mr. Marland.

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

Mr. BANKHEAD. Mr. Speaker, I move to lay on the table the rule providing for the consideration of this bill. The motion was agreed to.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to make a very brief announcement.

Mr. Speaker, the gentleman from New Hampshire [Mr. ROGERS] is chairman of a very important committee which for sometime has been conducting extended hearings on purchases of the War Department with a view to taking the testimony and submitting a report prior to the adjournment of the Congress. The gentleman from New Hampshire was so engaged on yesterday and therefore was absent on roll call no. 188, page 11524 of the RECORD, roll call 189, on page 11530, and roll call 190, on page 11545, and I make this statement in explanation of his absence during these roll calls.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the House insist upon its amendment to the Senate bill (S. 3645), just passed, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska? [After a pause.] The Chair hears none and appoints the following conferees:

Messrs. HOWARD, KNUTE HILL, AYERS of Montana, GILCHRIST, and COLLINS of California.

## PUBLIC GRAZING LANDS

Mr. DeROUEN. Mr. Speaker, I ask unanimous consent to vacate the proceedings whereby the House concurred in Senate amendments to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry, dependent upon the public range, and for other purposes, and that the Senate be requested to return to the House the message of the House thereon.

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

There was no objection.

## SETTLEMENT OF WAR CLAIMS ACT OF 1928

Mr. DOUGHTON. Mr. Speaker, I submit the following conference report on the joint resolution (H.J.Res. 325) extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter, and ask unanimous consent for the immediate consideration of the report.

The conference report and statement are as follows:

## CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J.Res. 325), extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment under the Settlement of War Claims Act of 1928 of awards of the War Claims Arbiter, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1 and the Senate recede from its amendment to the title.

That the House recede from its disagreement to the amendment of the Senate numbered 2 with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment, and on page 2, lines 4 and 5, of the House joint resolution strike out "paragraph (h) of subsection (2)" and insert "subsection (h)"; and the Senate agree to the same.

R. L. DOUGHTON,  
SAM B. HILL,  
THOS. H. CULLEN,  
ALLEN T. TREADWAY,  
ISAAC BACHARACH,

*Managers on the part of the House.*

WILLIAM H. KING,  
WALTER F. GEORGE,  
JAMES COUZENS,

*Managers on the part of the Senate.*

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J.Res. 325), extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter, submit the following written

statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment no. 1: The House provision extended for 2 years the time within which American claimants may make application for payment of awards of the Mixed Claims Commission and the Tripartite Claims Commission. The Senate amendment limited the extension to 1 year. The Senate recedes.

On amendment no. 2: The House provision extended until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act, of awards of the War Claims Arbiter. The Senate amendment limited the time to March 10, 1935. The conference agreement adopts the House provision with a clerical change in a reference to a subsection.

The Senate recedes on the title of the joint resolution.

R. L. DOUGHTON,  
SAM B. HILL,  
THOS. H. CULLEN,  
ALLEN T. TREADWAY,  
ISAAC BACHARACH,

*Managers on the part of the House.*

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

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

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

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## UNITED STATES SUPPLY OF TIN

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 404, for immediate consideration.

The Clerk read as follows:

## House Resolution 404

*Resolved*, That the Committee on Foreign Affairs of the House of Representatives, or a subcommittee thereof, is hereby authorized and directed to conduct an investigation of (1) the extent to which the United States is dependent upon foreign nations for its supply of tin; (2) the ownership and control of the tin resources of the world; (3) the possibility of manufacturing the munitions, motors, and other items essential to the national defense and economic welfare of the country without tin, or by the use of any known substitute; (4) the extent to which the nation or nations owning or controlling the tin resources of the world are indebted to the United States for sums due and unpaid; (5) whether acquisition by the United States of foreign tin resources, in fair and mutually agreeable exchange for the debts owing the United States by the nations owning or controlling such resources or otherwise, would improve the present and costly and dangerously dependent position of the United States with respect to this matter; and (6) all other questions in relation thereto that would aid Congress in any necessary legislation.

That said committee, or any subcommittee thereof, is hereby authorized to sit and act at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpoena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman or any member designated by him and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this resolution has been reported by the Rules Committee, after holding hearings in reference to an investigation of the supply of tin for American industry and the manufacture of munitions.

The resolution authorizes the Committee on Foreign Affairs or a subcommittee thereof to investigate the matters referred to in the petition. As it was presented to the Rules Committee, there is practically no tin mined in this country. It is an indispensable metal in industry and especially in the manufacture of munitions, for which supply of tin we are wholly dependent on other countries. The product is controlled by agreement, as I understand it, a pool agreement, controlled by nations who still owe us war debts. I might profitably read a letter from the Department of State, addressed to the gentleman from Alabama [Mr. BANKHEAD], in reference to this resolution.

DEPARTMENT OF STATE,  
Washington, May 15, 1934.

The Honorable WILLIAM B. BANKHEAD,  
*Chairman Committee on Rules, House of Representatives.*

MY DEAR MR. BANKHEAD: I understand that you have under consideration House Resolution 357, respecting an investigation of certain questions concerning the supply of tin to this country. I believe that the proposed investigation would serve a useful purpose, and I consider it desirable from the standpoint of national policy that it should be instituted.

Tin is a strategic metal in many phases of our industrial system, and this country is almost completely dependent upon foreign sources of supply for the very large quantities of tin required annually. This dependence has been accentuated in recent years by the operations of an international tin agreement and tin pool controlling 80 to 90 percent of the world's supply.

Sincerely yours,

CORDELL HULL.

Mr. McSWAIN. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. McSWAIN. The situation to which the gentleman refers was called to the attention of the Committee on Military Affairs some time ago, and there is now on the calendar—and we hope to have it called up before adjournment—a bill to put an embargo on the exportation of our supply of tin until the inquiry contemplated by this resolution shall disclose the true situation, when we will determine what should be done.

As I see it, there is no inconsistency between this resolution and the embargo contemplated by the bill we have reported.

Mr. O'CONNOR. The gentleman from South Carolina refers to the Faddis bill, which pertains to tin we have now in this country, and this present resolution goes into the question of a foreign supply.

Mr. SNELL. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SNELL. I want to ask the gentleman how this happens to land in the Committee on Foreign Affairs to make an investigation of this kind? As I look over the different propositions for investigation, there is hardly one of them that comes under the jurisdiction of the Committee on Foreign Affairs. If you are going to make an investigation of this kind, it seems to me that the Committee on Military Affairs or perhaps the Ways and Means Committee would be the proper committee.

Mr. BANKHEAD. Will the gentleman from New York allow me to answer the gentleman?

Mr. O'CONNOR. I yield to the gentleman from Alabama.

Mr. BANKHEAD. Let me say to the gentleman from New York that when this matter was first called to the attention of the Committee on Rules, we had no intimation whatever of the real importance of this question. We had no knowledge that the Committee on Military Affairs was giving it any investigation or that it proposed to make a recommendation in reference to the Government supply. The communication addressed to our committee came from the War Department and the Navy Department and the Secretary of State. The State Department indicated that either one of these agencies of the Government might properly be charged with making the investigation.

Inasmuch as the State Department has its consuls in foreign countries and that this information might be assembled very largely through the instrumentalities of correspondence and official information of that sort, without any intention whatever of depriving one of the national

defense committees of any jurisdiction, we thought that this matter should be put under the jurisdiction of the Committee on Foreign Affairs.

Mr. SNELL. The gentleman will admit that none of these subjects the committee is going to investigate comes under the jurisdiction of the Committee on Foreign Affairs.

Mr. BANKHEAD. This information is not sought to be used for one particular branch of our Government, but is merely to assemble information which, if it were procured through the Committee on Foreign Affairs, would be passed on to the Army, the Navy, and the Marine Corps.

Mr. SNELL. Just one more question, and then I am through.

Mr. O'CONNOR. When this matter was first presented to the Committee on Rules the resolution authorized a special committee to investigate the subject. With the usual hesitancy of the Rules Committee to appoint special committees—

Mr. SNELL. Yes; I have noticed that during this session.

Mr. O'CONNOR. We thought it would be better to refer it to a standing committee and have the investigation conducted through a subcommittee. If the gentleman will examine the resolution carefully he will see, first, there is an international situation, and that is tin is controlled by international agreement to which we are not a party, and by an international pool. He will also see that tin is controlled by some nations who still are debtors for a "few dollars" in the matter of war debts. Those matters impressed the Rules Committee as a reason for sending the investigation to the Committee on Foreign Affairs, and for the further reason that information could be obtained through the aid and offices of the Secretary of State, who has contacts in all of these countries.

Mr. SNELL. As a matter of fact, we have military attachés in every one of these places who are more familiar with this subject than the Foreign Affairs members would be.

Mr. O'CONNOR. I do not think they are. I think the consuls general, or possibly our commerce representatives, would be much more familiar with it than the Army.

Mr. SNELL. But the gentleman's party has abolished all of the commerce representatives over there because it said we did not need them any more.

Mr. O'CONNOR. It is true they have been mostly abolished.

Mr. SNELL. So they may not be referred to. Let me ask one more question. It is not intended that this committee will go to visit Burma and other foreign places where tin is produced, is it, to continue to set up this investigation?

Mr. O'CONNOR. The resolution restricts them to sitting in this country.

Mr. SNELL. In the District of Columbia?

Mr. O'CONNOR. No; not the District of Columbia.

Mr. SNELL. But it is not intended that they shall visit the tin mines of Burma?

Mr. O'CONNOR. They did not even ask that privilege.

Mr. SNELL. I am surprised. This, then, will take care of all of the rest who feel the need of a summer vacation.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. HILL of Alabama. Does the gentleman from New York agree with the statement of the Chairman of the Committee on Military Affairs, Mr. McSWAIN, that there is nothing inconsistent between the pending resolution and the Faddis bill, reported out by the Committee on Military Affairs?

Mr. O'CONNOR. I do.

Mr. HILL of Alabama. I hope the gentleman will go further, and say that he is not only in favor of this resolution but also in favor of the Faddis bill?

Mr. O'CONNOR. I do. I have been anxious to see the Faddis bill called up.

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

Mr. O'CONNOR. Yes.



Mr. ROBERTSON. Would the committee have any objection to an amendment to the resolution on page 1, line 5, to insert, after the word "tin", the word "manganese"?

Mr. O'CONNOR. Oh, yes. I do not think we want to go into that. That is another story, and so is nickel. I think there is job enough on the hands of the committee going into tin at this time.

Mr. Speaker, I yield 10 minutes to the author of the resolution, the gentleman from Florida [Mr. CALDWELL].

Mr. CALDWELL. Mr. Speaker, I am going to be as brief as I can in discussing the question. When these facts were called to my attention a year or two ago I thought that unquestionably they must have been exaggerated. I could not conceive of so serious a condition existing in this country. The United States of America is utterly and absolutely dependent upon foreign countries for a supply of the metal tin. Tin is an essential commodity without which we cannot manufacture automobiles, airplanes, bronzes, babbitts, solders, and tin plate. Neither can we without tin manufacture certain types of munitions that are absolutely essential to national defense.

Since the Declaration of Independence there has not been produced in the United States in excess of 1,450 tons of this metal. We purchase annually around 85,000 tons, or more than one-half of all the tin produced in the world.

We now produce none. Great Britain produces around 45 or 50 percent of the world supply and controls about 30 percent in addition. In other words, Great Britain controls from 75 to 80 percent of all of the tin produced in the world and we purchase over 50 percent of that production.

Perhaps the most expedient method of presenting the facts is to refer to certain correspondence I have had with the War Department, the Navy Department, the Department of the Interior, and the State Department in respect to this matter. I say that because it will give some official significance to my statements.

I asked the Secretary of the Interior on April 19 to advise me if the United States produced any considerable quantity of primary tin. I also asked that I be advised as to the principal sources of the imported tin and whether there is any substitute for tin. I also asked that I be advised what the effect upon industry would be if our supply was cut off. The Secretary of the Interior replied, and I will read the letter for the information of the House:

DEPARTMENT OF THE INTERIOR,  
Washington, May 1, 1934.

Hon. MILLARD CALDWELL,  
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: I have received your letter of April 19 regarding tin.

The production of primary tin in the United States is negligible. Since 1920, the maximum yearly output of tin from domestic ores was 42 long tons in 1928 as compared with a consumption of over 70,000 tons of virgin tin in that year. There are no facilities for smelting tin ores in the United States at the present time.

From 1925 to 1929 the United States imported annually 78,000 tons of virgin tin, of which the Straits Settlements (British Malaya) supplied 63 percent, United Kingdom 21 percent, Netherlands 9 percent, and Hong Kong about 3.5 percent.

About 49 percent of the mine production of tin in 1929 originated in the British Empire, 25 percent in Bolivia, and 16.5 percent in Netherland India. The British Empire supplied 85 percent of the 1929 smelter output, Netherland India 7 percent, China 3.5 percent, and Germany about 3 percent.

Financial control of the mine and smelter outputs in 1929 was as follows:

Interests	Mine production	Smelter production
	Percent	Percent
British.....	33	41.0
Anglo-Bolivian.....		44.0
Bolivian.....	17	
Dutch.....	16	8.0
Chinese.....	23	5.0
American.....	3	.5
Others.....	8	1.5
Total.....	100	100.0

There are no satisfactory substitutes for tin in the automobile and food-canning industries. Some progress has been made in substituting other alloys for tin alloys used in automobile manufacture, but the effect is only to reduce the amount of tin

used. In general the substitutes do not completely replace tin. Glass and aluminum containers have been used to some extent in food packing, but by far the major part of foodstuffs can be packed satisfactorily only in tin containers.

Serious curtailment or stoppage of our supply of foreign tin would be very embarrassing to domestic industries. Since the war the search for substitutes to relieve us from our dependence upon foreign supplies has been carried on vigorously. While some satisfactory progress has been made, we are still far from a solution of the problem. Since tin is used chiefly in the manufacture of tin plate, solder, babbitt, bronze, and foil, it can readily be seen that any serious interruption of the flow of these widely used commodities would seriously cripple the manufacturing industries.

I am enclosing the following publications, which may be of further interest to you:

- Tin in 1929.
- Tin in 1931.
- Tin in 1932.
- Economic Paper 13, Summarized Data of Tin Production.
- I. C. 6564, Consumption of Primary Tin in the United States During 1930.
- I. C. 6249, World Reserves and Resources of Tin.

Sincerely yours,

HAROLD L. ICKES,  
Secretary of the Interior.

Enclosure 430742.

On the same date I wrote the Secretary of the Navy as follows:

APRIL 19, 1934.

Hon. CLAUDE A. SWANSON,

Secretary Department of the Navy, Washington, D.C.

MY DEAR MR. SECRETARY: Will you be kind enough to furnish me with the following information at your earliest convenience:

1. Is the metal tin considered a strategic material or one the use of which is necessary to properly maintain and operate the Navy in time of war?
2. Briefly, what are the principal items of munitions, equipment, and supplies which require tin for their manufacture?
3. In the event of war, would the stoppage of the supply of tin imported into the United States gravely affect the effectiveness of military supplies after existing supplies had been consumed?

Respectfully,

MILLARD CALDWELL.

He replied as follows:

DEPARTMENT OF THE NAVY,  
OFFICE OF THE SECRETARY,  
Washington, April 25, 1934.

Hon. MILLARD CALDWELL,

House of Representatives, Washington, D.C.

MY DEAR MR. CALDWELL: Referring to your letter dated April 19, 1934, on the subject of tin, the following information is furnished:

1. The metal tin is a strategic material and one the use of which is necessary to properly maintain and operate the Navy in time of war.
2. The principal items of munitions, equipment, and supplies which require tin for their manufacture are:
  - (a) Containers for food, grease, oil, etc.
  - (b) Brass for bolts, nuts, screws, rivets, pipe, valves, flanges, etc.
  - (c) Solders and bearing metals (antifriction).
  - (d) Bronze—manganese bronze.
  - (e) Condenser tubes.
3. In the event of war the stoppage of the supply of tin imported into the United States would gravely affect the effectiveness of military supplies after existing supplies had been consumed.

Sincerely,

H. L. ROOSEVELT,  
Acting Secretary of the Navy.

Mr. SNELL. Will the gentleman yield?

Mr. CALDWELL. I yield.

Mr. SNELL. It seems to me the gentleman, from his own information, has answered at least three of these questions. The gentleman has told us that we are entirely dependent on foreign countries for tin. He has told us who controls the tin of the world, and also that it would be easy to get from the Treasury Department how much England owes America. The gentleman has already answered three of the questions.

Mr. CALDWELL. I think, if the gentleman will bear with me, before I conclude he will concede the necessity for further investigation.

Mr. SNELL. I appreciate the fact the gentleman knows what he is talking about, but he has given definite information on three of these subjects.

Mr. DIRKSEN. Will the gentleman yield?

Mr. CALDWELL. I yield.

Mr. DIRKSEN. Conceding the necessity for additional information, would it not be better to have the Bureau of Foreign and Domestic Commerce or the Bureau of Stand-

ards, men trained in scientific fields, to approach this matter and determine, first of all, this question of supply and distribution and then determine also the question of the possibility of substitution of some other material for tin in the arts and munitions?

Mr. CALDWELL. It is my opinion that the Bureau of Mines is not the proper agency to make this investigation, because, in the nature of things, it must involve the consideration of subjects that the Bureau cannot properly consider.

Mr. DIRKSEN. What about the Bureau of Foreign and Domestic Commerce?

Mr. CALDWELL. The Bureau of Foreign and Domestic Commerce cannot go into those facts which are going to involve international questions and agreements between countries and secret agreements between certain corporations or industries in this country and those in other countries. They will not and cannot properly investigate those questions and then disclose the facts which they have secured.

Mr. DIRKSEN. Do they not now require all information of an international nature in relation to metals and other products that is available to this Congress or any committee?

Mr. CALDWELL. They only acquire for publication that information the interested nations, corporations, and individuals are willing to give them for publication, and they cannot properly disclose anything else. If they do, their usefulness for the future will be destroyed.

Mr. DIRKSEN. How would the gentleman enlarge upon that situation or extend that authority by simply asking a committee of Congress to do it?

Mr. CALDWELL. A committee can go into any question which the committee conceives to be relevant or pertinent to the question to be investigated.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. CALDWELL. I yield.

Mrs. ROGERS of Massachusetts. Why was this not brought to the attention of the Committee on Foreign Affairs? I think it properly should go to the Committee on Foreign Affairs first for action.

Mr. CALDWELL. I should say that the first step was the introduction of the resolution and next its reference either to such committee as the House may think best. I think it should very properly go to the Committee on Foreign Affairs.

Mrs. ROGERS of Massachusetts. Before it is acted upon?

Mr. CALDWELL. I think the resolution should first be adopted.

Mr. EDMONDS. Will the gentleman yield?

Mr. CALDWELL. I yield.

Mr. EDMONDS. Does the gentleman have in mind, in introducing this resolution, to utilize tin for the coinage of money in this country?

Mr. CALDWELL. I think that may be very far afield. [Laughter.]

I now desire to call attention to a letter I wrote the Secretary of the Navy May 4, 1934, and read it for the information of the House:

MAY 4, 1934.

Re: JJ48-3/49-10(340419)

Hon. CLAUDE A. SWANSON,

*Secretary Department of the Navy, Washington, D.C.*

MY DEAR MR. SECRETARY: I want to thank you for your letter of April 25, giving me information on the metal tin as regards the needs of the Navy. I shall greatly appreciate it if you will also give me the following:

1. As I understand it, tin is indispensable to the manufacture or construction of essential equipment and supplies for the Navy; and the United States being able to produce no tin is entirely dependent upon other countries for its supply; that a certain amount of tin of lower grade is reclaimed from scrap here, but that this production would practically cease within a short time after importations of new tin were shut off, and that after that we should be without this metal altogether; and that no satisfactory substitute for many of its most important uses is known. Kindly advise if I am correct in this.

2. I further understand that due to the fact that it is essential in making of bearing metals, bronzes, solders, babbitt, and other

applications; that this metal stands in no ordinary category of simply a useful material; but, on the contrary, the satisfactory construction of new engines, gun bearings, certain ammunition, and other absolutely essential equipment, as well as the repair and maintenance of these, without which the effectiveness of naval operations would be most gravely affected—would be practically impossible. Will you be kind enough to advise whether this is correct?

3. If my understanding of the situation, as set forth above, is substantially correct, would the stoppage of our tin supply from abroad for any considerable length of time gravely affect not only supplies for the Navy, in the ordinary sense of the word, but also essential elements of the fighting units, and place us at such a disadvantage in opposing the military and naval operations of an enemy supplied with tin as to present a most serious situation?

Respectfully,

MILLARD CALDWELL.

Mr. O'CONNOR. Mr. Speaker I yield 5 additional minutes to the gentleman from Florida [Mr. CALDWELL].

Mr. CALDWELL. Under date of May 5, 1934, Rear Admiral J. K. Taussig, Acting Chief of Naval Operations, replied to my letter, as follows:

NAVY DEPARTMENT,  
OFFICE OF CHIEF OF NAVAL OPERATIONS,  
Washington, May 5, 1934.

Hon. MILLARD CALDWELL,

*House of Representatives, Washington, D.C.*

MY DEAR MR. CALDWELL: Your letter of May 4 to the Secretary of the Navy has been referred to this office for reply.

Your understanding of the situation regarding tin, as outlined in paragraphs 1, 2, and 3, is correct.

Sincerely,

J. K. TAUSSIG,  
Rear Admiral United States Navy,  
Acting Chief of Naval Operations.

I now want to read a letter I wrote the Secretary of War April 30, 1934, as follows:

APRIL 30, 1934.

Hon. GEORGE H. DERN,

*Secretary Department of War,  
Washington, D.C.*

MY DEAR MR. SECRETARY: I want to thank you for your letter of April 23 in reply to mine of April 19 requesting information as to the tin situation.

It is my understanding that the United States is wholly dependent upon foreign nations for all the tin it consumes, and I assume that the statement in your letter that "This country would have to depend upon foreign imports to supply the major portion of its requirements" refers to the fact that scrap tin is recovered here and that this furnishes a certain amount of the tin consumed as long as new tin can be imported, but that shortly after the stoppage of importations the recovery of scrap would necessarily shrink and ultimately stop altogether. In other words, that as soon as existing stocks of tin, and what could be recovered from scrap were exhausted, we should be without any supply whatever, and if we could get no imports, the Army would be faced with a very grave situation.

I shall greatly appreciate it if you will advise as to whether my understanding of the situation, as stated above, is correct.

Respectfully,

MILLARD CALDWELL.

The Secretary replied as follows:

WAR DEPARTMENT,  
Washington, May 4, 1934.

Hon. MILLARD CALDWELL, M.C.,

*House of Representatives, Washington, D.C.*

MY DEAR MR. CALDWELL: Acknowledgment is made of the receipt of your letter of April 30, 1934, referring to my letter to you of April 19 on the subject of the metal "tin."

You state:

"It is my understanding that the United States is wholly dependent upon foreign nations for all the tin it consumes, and I assume that the statement in your letter that 'this country would have to depend upon foreign imports to supply the major portion of its requirements' refers to the fact that scrap tin is recovered here and that this furnishes a certain amount of the tin consumed as long as new tin can be imported, but that shortly after the stoppage of importations the recovery of scrap would necessarily shrink and ultimately stop altogether. In other words, that as soon as existing stocks of tin, and what could be recovered from scrap, were exhausted, we should be without any supply whatever, and if we could get no imports, the Army would be faced with a very grave situation."

"I shall greatly appreciate it if you will advise as to whether my understanding of the situation, as stated above, is correct."

Your understanding of the situation as stated above is correct.

If any further information is desired, I hope that you will write me further.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

In reply to a letter written by me the Secretary of State, on May 3, 1934, wrote me the following letter:

DEPARTMENT OF STATE,  
Washington, May 3, 1934.

The Honorable MILLARD CALDWELL,  
House of Representatives.

MY DEAR MR. CALDWELL: I have received your letter of April 27 enclosing a copy of your resolution respecting an investigation of tin, House Resolution 357.

As you know, this Department would favor any legitimate means which might be employed to protect the supply and the price of the very large amounts of tin required by the United States each year. I believe that the proposed investigation would serve a useful purpose, and I appreciate your initiative in this matter.

There is enclosed a short memorandum regarding the position of this country with respect to tin, which may be of some small assistance to you.

Sincerely yours,

CORDELL HULL.

(Enclosure: Memorandum.)

Returning now for just a moment to a fact upon which I touched a while ago, I want to remind the House that about 80 percent of all of the tin of the world is controlled by Great Britain; that our country uses and purchases annually more than 50 percent of all the tin produced in the world; and that Great Britain and other tin-producing nations owe us money. Those countries have from time to time suggested that they would welcome an opportunity to pay their debts in kind, and it occurs to me we now have a wonderful opportunity to determine just how serious they may be in making these offers. If the overtures to pay in kind constituted mere bluff, we can now with safety call that bluff.

If we should become involved in war, the results would be disastrous if Great Britain were on the other side or were placed in the position of being a neutral. It behooves us to carefully scrutinize this situation and determine how we can avoid the consequences.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CALDWELL. I yield.

Mr. O'CONNOR. I do not know whether the gentleman stated it, but I understand that at no time do we have enough tin in this country to last for 3 months. Am I correct?

Mr. CALDWELL. It is my information there is not at the present time enough tin in the United States to run our industries more than 30 days, and if importations of tin were cut off today our industries would within that period be at a standstill.

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

Mr. CALDWELL. I yield.

Mr. HOLMES. If I understood the gentleman correctly, the gentleman said we consumed about 87,000 long tons of tin annually in the United States.

Mr. CALDWELL. The gentleman is correct.

Mr. HOLMES. Will the gentleman state again the present production of tin in the United States?

Mr. CALDWELL. Practically none.

Mr. HOLMES. Do we produce no tin whatsoever in this country?

Mr. CALDWELL. I understand we produced none in the last year or two. Our highest production was in 1928, when we produced about 40 tons.

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

Mr. CALDWELL. I yield.

Mr. DIRKSEN. It seems rather strange to me that this question was not raised under the impetus of the World War when there really was the possibility of the danger of the imports of tin being shut off.

Mr. CALDWELL. May I say to the gentleman from Illinois that that question gave the naval and military authorities of this country many uneasy moments. We were permitted to wage our warfare in that instance because of our alliance with Great Britain.

Mr. DIRKSEN. If this is such an acute question, why did it not come up long before now?

[Here the gavel fell.]

Mr. SNELL. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is the investigating Congress. We have passed more resolutions providing for special committees of investigation than any Congress in my

recollection. On matters that regular committees of the House should take care of, on matters that the departments should take care of and submit to Congress in the regular way, we passed resolutions creating special committees and appropriating money for these committees to work with. I think we must have passed at least a dozen such resolutions and must have allocated upward of \$100,000 more money for investigations than has been done at any time in the last 15 years.

Now, let me get into the merits of this situation and this resolution a little bit. This is a matter in the nature of an embargo, or of a development, or of something of that sort. It is not a matter that relates to foreign affairs in the remotest degree. Why, a bill was introduced in the House of Representatives on the 21st day of April by the gentleman from Pennsylvania [Mr. FADDIS] prohibiting the exportation of second-hand tin, scrap, and that sort of thing. That bill was by the Speaker referred to the Committee on Military Affairs, and that committee has reported the bill. Now, either that reference was bad and that report was bad and contrary to the rules of the House, or the wrong committee is picked out in this resolution.

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

Mr. TABER. I yield.

Mr. CALDWELL. The bill to which the gentleman has referred prohibits the importation of tin scrap, does it not?

Mr. TABER. No. It prohibits the exportation of tin.

Mr. CALDWELL. It has absolutely no connection with foreign nations?

Mr. TABER. I think that is true. I do not think this resolution either has anything to do with foreign nations or any operations that may result in dealings with foreign nations in a way to give the Foreign Affairs Committee jurisdiction.

I want to develop what seem to me to be some of the important features with reference to this tin situation. My information is, and it comes from those who have been there and who have gone into the situation to a considerable extent, that there is tin in Alaska.

It has been found in alluvial deposits along the river. Would it not appear to much better advantage if somebody from the War Department would go up there with the idea of trying to find out where that tin could be developed in our own territory than to try to refer this to the Foreign Affairs Committee, which can have absolutely nothing to do with legislation which might be brought in here with reference to the proposition? If I might be permitted to read from a document I have before me—the Commerce Yearbook for 1930, volume 1—and on page 393 there is the following:

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. TABER. As I said, the following quotation is taken from the Commerce Yearbook for 1930, page 393:

During 1929 almost one-half of the world's output of virgin tin was consumed by American industries, but less than 1 percent of this amount was produced from domestic mines, located chiefly in Alaska. A small output was reported for California, South Dakota, and North Carolina.

Imports of tin in 1929 reached a record total of 195,165,000 pounds, 12 percent more than in 1928, and 22 percent more than in 1927. \* \* \* The domestic supply derived from imports of virgin metal is materially augmented by the secondary tin recovery from scrap and junk. The production of secondary tin in the United States was 31,964 long tons in 1928. Stocks of tin in 1929, December, were 2,820 long tons against 2,428 long tons in 1928.

Mr. CALDWELL. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Florida.

Mr. CALDWELL. Does the gentleman know anything about the scrap-tin situation in the United States today?

Mr. TABER. Yes. I might describe the situation a little bit. I may not know it all, but I know a little bit.

There are, as I understand it, a couple of plants, maybe three, that buy up the scrap tin and reduce it in the salvage of tin that is used in the arts. At the present time, as I understand, those people who have scrap tin to sell have

had the market run up. Whether it is because the domestic people, who have been accustomed to taking this and refining it, are not paying enough, or the foreigners are ready to pay too much, I do not know, but there seems a very considerable spread between what the foreigners are ready to pay and what the domestic-tin salvagers are paying. The market varies from day to day. At one time it was \$10 on the part of the domestic fellows, and \$12.50 on the part of the foreigners. Just what it is at this minute, I cannot say.

Mr. CALDWELL. May I give the gentleman the information?

Mr. TABER. Yes.

Mr. CALDWELL. Twenty-three dollars.

Mr. TABER. What are the domestic people paying?

Mr. CALDWELL. Of course, the domestic people must meet the price.

Mr. TABER. Are they paying this price too?

Mr. CALDWELL. They are paying it or not getting the tin. As a result, they are not getting it; and practically all of the scrap tin in this country is going to foreign countries.

Mr. TABER. Does the gentleman mean that is because our people cannot afford to pay enough?

Mr. CALDWELL. Yes.

Mr. TABER. Is the logical conclusion to be drawn from that that we can buy virgin tin cheaper than we can salvage the scrap tin?

Mr. CALDWELL. Of course, the gentleman will understand that secondary tin may only be used in certain work.

Mr. TABER. I understand that. It cannot be used in everything, but it can be used for a great many things.

Mr. CALDWELL. I think it is the result of low labor costs abroad.

Mr. TABER. The gentleman thinks they can salvage it cheaper than we can?

Mr. CALDWELL. Yes.

Mr. TABER. That might be so.

Mr. EDMISTON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from West Virginia.

Mr. EDMISTON. In the investigation by the Military Affairs Committee, it seems very apparent that Japan has set out to bid this tin up until they wreck the de-tinning industry.

Mr. TABER. That might be, but it seems to me the proposition is more a proposition of going ahead and developing the tin industry up in Alaska and getting it on its feet where we will have a plentiful supply of tin of our own and not be dependent upon foreigners, than it is a proposition of dickering and dealing with the foreign people. I cannot see any reason at all for the passage of this resolution and then coming in here within the next day or two with a bill authorizing \$7,500 to \$10,000 to investigate a foreign condition about which, according to the statement of the gentleman from Florida, we know everything already there is to be known. I hope the House will vote down this resolution.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Speaker, a most important question confronts the country today which has not yet received the attention it deserves from the people and those who are entrusted with the duty of shaping the course of public legislation.

This question involves adequate relief from the enormous burden of taxation which our citizens are now forced to bear and which will be increased without doubt because of the vast expenditures made to finance the recovery fight.

There is now pending before the Committee on Ways and Means a resolution (H.J.Res. 337) which I introduced some time ago to pave the way to correcting a most serious situation which exists throughout the country.

This resolution takes cognizance of the vast possibilities for tax reduction which lay in the field of the State, the county, city, town, and village. Insofar as the Federal Government may act, this measure is designed to initiate proceedings by requesting the President to invite the governors

of States to a conference for the purpose of formulating and adopting a unified program to reduce the excessive costs of State governments and their local subsidiaries.

I have taken steps to inform the President of the pressing need for such a program, and in the event it proves impossible before adjournment of Congress to secure the consideration of this resolution it is my sincere hope that he will take action to hold such a conference on his own responsibility as soon as possible.

One billion dollars a year, according to recent estimates, is spent annually by the taxpayers of the United States to maintain outworn political offices and functions whose period of usefulness lapsed many years ago.

Seventy percent of the citizen's tax dollar is used to support our more than 3,000 counties, some 200,000 separate governing and taxing bodies, and 900,000 elective officials. Modernization and reorganization of the structure of our State and local governmental units, without curtailment of a single necessary service, or the unjust reduction of a single salary, could be accomplished by a unified Nation-wide program carried on among the 48 States, and would result in a saving to each of the 25,000,000 families in the United States of at least \$40 annually.

During the past few years, some progress toward this end has been reached by a few States. Surveys and studies of county and local government were conducted in the past year in the States of Arizona, Delaware, Michigan, New Hampshire, North Dakota, Texas, Illinois, Mississippi, and Minnesota. However, the surface has hardly been scratched, and the disastrous world-wide depression has brought us face to face with the necessity of weeding out every superfluous item from the costs of maintaining and operating our different branches of government.

The breakdown of our local sources of revenue has rendered revision of local governmental units and the abolishing of obsolete functions and useless offices an imperative necessity. Bonded obligations of States, counties, and cities total approximately \$16,000,000,000. At the present time, over 1,000 taxing districts have defaulted on the interest payments on their bonded indebtedness. In some municipalities, a tax delinquency of as much as 80 percent has been reported.

These facts are bound to make the taxpayer question the necessity for maintenance of duplicate and overlapping public offices and services in his community. It has been shown that in many cases there are inmates scattered in several dozen asylums throughout a State who could be more efficiently and economically taken care of in one central institution. One case was reported where the staff and employees of a local poorhouse outnumbered the inmates. Expensive road-repairing machinery has been owned by each of a number of counties in a State and used but a few days in the year, when one set of machinery for the combined counties could have been used to better advantage and greater economy.

In my own State of Michigan the taxpayers pay the salaries of nearly 45,000 State and local officials. The entire country of England, with a population over seven times as large, has but 2,000 officials to do the same work.

In addition to city and village administrations, the people in my State are attempting to maintain 8,230 local governments, having 43,923 elective officers, who are spending approximately \$100,000,000 a year.

Besides the many thousands of appointive officials, Michigan has 27,512 elected officers in 6,878 school districts, 1,269 townships with 15,228 elected heads, and 83 counties with 1,183 elected officers.

At the very least it has been estimated that Michigan taxpayers would be saved fully \$25,000,000 annually, without curtailment of a single necessary service, by the modernization and reorganization of our local governmental units, eliminating and abolishing all useless and unnecessary offices and overlapping functions.

The situation in Michigan is not exceptional, nor are conditions there any worse than in other States. Although the State of Georgia owes the public-school systems more

than \$2,500,000, the harassed taxpayers of that State are supporting 159 county governments which have long outgrown their period of usefulness. It is said that in New York City alone there are five useless county governments with a sizable army of public officials, whose functions could be equally, if not better, performed by the city or State.

Inasmuch as the maintenance of State governments and their local subsidiaries requires 70 cents of every dollar paid for taxes, we owe it to ourselves, as well as posterity, to stop the diversion of the money we pay for taxes from vitally essential civic activities, such as fire and police protection and maintenance of normal educational advantages for our children.

It is self-apparent that in our present day of rapid transportation and swift communication, with old methods revolutionized by the automobile and train, the airplane, radio, telephone, and telegraph, the local governmental systems designed to meet the needs of the day of the stage-coach must be modernized to conform with our present-day requirements for simplification and maximum possible efficiency. Modern inventions have conquered time and distance to the extent that, whereas in days past our neighbors consisted of those living in our immediate vicinity, they now comprise practically all those living in the same State.

Perhaps the most serious manifestation of the results of the attempts to maintain intact our intricate and complicated systems of local government is the alarming curtailment of educational advantages for our children. Progress and normal development of civilization depend upon education for their growth. Adequate education has become more than ever necessary in order to derive the fullest possible advantage of life's opportunities, and we owe it to the happiness and well-being of the next generation to see that our children are not deprived of their school privileges which we have come properly to consider as their right.

The collapse of our public-school systems has served to emphasize the need for elimination of unnecessary governmental activities which cause the diversion of dwindling revenue from essential functions. This deplorable condition has, in many cases, been aggravated by the nineteenth century system of supporting schools, in which from 80 to 90 percent of the revenue comes from the general property tax, locally levied and administered.

Schools are our most completely local form of public service, and as such depend for existence chiefly upon our most completely local source of income—taxes on farms, homes, and so forth. During the past several years tax delinquency has run as high as \$100,000,000 in a single State. Another important factor to be taken into consideration when considering the plight of our public-school systems is the difference in wealth in various States. A tax of \$10 on every \$1,000 worth of property for school support would produce \$58 per child in one State and as much as \$457 in another. It is readily to be seen that States stagger under unequal burdens in trying to maintain equality of educational opportunity.

While the depression has been in full swing for several years, its effects did not at first reach our public-school systems. The schools did not begin to feel the pinch of economy until long after industry, trade, and agriculture were stricken by the forces of the depression. As a result, school terms have been cut, many schools have failed to open, and teachers remain unpaid or help swell the ranks of the unemployed. Nearly 2,000 rural schools in 24 States failed to open last fall, and estimates indicate that 1,500 commercial schools and colleges have closed.

The very existence of the public schools in hundreds of communities is hanging in the balance. This fact is particularly lamentable when we consider that the entire cost of running schools, including teachers' salaries, buildings, and all other miscellaneous expenses, amounts to less than 3 percent of the entire national income.

Lack of necessary funds has caused 1 of every 4 cities in our country to shorten its school term. Many rural

schools are expected to remain open for less than 3 months during the present school year. There has never been a time when rural schools have maintained adequate terms. In 1930 rural schools for over a million and a half school children were open for 6 months or less. This is in sharp contrast with school terms in foreign countries. Statistics compiled by the Office of Education show that the average term in the United States for city schools has been 184 days and for rural schools, 162 days. The average term in France is 200 days; England, 210 days; Sweden, 210 days; Denmark and Germany each, 246 days.

Although more teachers are needed today than ever before, it is estimated that over 200,000 are unemployed, and it is anticipated that this number will be increased by about 8,000 this year. During the time that 25,000 teachers have been dropped, a million more pupils have come into the schools. The prospects are that over 100,000 more children will be denied all educational opportunities this year because of closing schools.

Dismissals are causing teachers to instruct increasingly large classes. Five States have reported an average of more than 40 pupils per teacher. If we decided to operate city schools today with the same number of pupils to a teacher that we had in 1930, it would be necessary to immediately hire more than 26,000 additional teachers.

Nearly 730,000 more children were enrolled in high schools in 1932 than in 1930. The abolition of child labor in industry by means of the N.R.A. has resulted in placing another hundred thousand children on the high-school doorstep. Children are, of course, naturally least able to bear the hardships of the depression. A census of families receiving unemployment relief, made by the Relief Administration, reveals that two-fifths of all persons receiving jobless funds are under the age of 16. Of this number, approximately two-thirds are of school age.

Although it takes years of training and specialized study to qualify as a teacher, 1 of every 4 American teachers now employed is receiving less than \$750 a year. Indications are that this ratio will be lowered to 1 to 3 during this year. At the same time, more than 84,000 rural school teachers will receive less than \$450 for their work this year, while, in approximately 18 States, teachers are being paid in warrants cashable at discounts ranging from 5 percent up.

Our Nation's schools have been facing the impossible task of giving adequate instruction to an army of pupils which has increased since 1930 by more than a million, on current expenses which have decreased about \$368,000,000. To teach 25,600,000 public-school pupils, the United States 3 years ago spent over \$10,000,000 per school day. This year the schools are teaching a larger number of children on \$8,500,000 per school day, a decrease of about 20 percent, or \$2,100,000 per day.

It has been conservatively estimated that due to the depression and other causes, there are about 2,280,000 children from 6 to 15 years of age not receiving the benefits of a public-school education. If the compulsory-education laws were to be strictly enforced and educational advantages provided for this great number of children, it would be necessary to add 76,000 teachers.

In some communities, free public schools have of necessity become tuition schools, admitting only those children whose parents are able to pay the rate asked. For example, in one town of 15,000 population, grade-school tuition was reported as \$3 per child per month; high-school tuition, \$5.50 per month. In this town at least 200 children whose parents could not pay the tuition charges were being denied an education.

Relief funds have been made available to schools in many localities, but can, of course, at best, offer but a temporary solution to the problem. The time has come to strike at the root of the trouble and eradicate its source. Two hundred and fifty-nine school districts in 29 States have had to default on their indebtedness. In order to pay teachers when no cash was available, school districts have issued interest-bearing warrants, of which a total of \$40,000,000 remains unpaid.

The deepening crisis in education threatens the very foundation of modern civilization. The simple rudiments taught a hundred years ago are wholly inadequate and insufficient to mentally equip the individual to cope with present-day problems of existence. In our efforts to bring about recovery, we must not overlook the all-important fact that education is the keystone to continued progress and the maintenance of an advanced stage of civilization.

The enormous diversion of revenue to maintain the multifarious unnecessary and outworn public offices and overlapping duties which is sapping the vitality of our educational system, depriving us of other needed public services and at the same time draining our tax sources, must be stopped. An aroused public opinion is all that is necessary to start the ball rolling. The voters are in closer touch with questions of government than ever before, and when the realization is brought home to the taxpayers that approximately \$1,000,000,000 of their money is being wasted yearly, we shall obtain the support necessary to completely reorganize our local governmental units and discard all but essential and worth-while public services.

Sporadic attempts which are now being made to alleviate the situation are most commendable but are not sufficient to cure the evil. We must, in order to derive the maximum possible economy and efficiency and the resultant tax relief attainable, insist upon a program that will embrace every State in the Union. Under the Constitution, action other than that provided in my resolution cannot be taken by the Federal Government. This is a matter which must be undertaken by the individual States themselves.

Eventually, all States will, of necessity, revise their local branches of government. Action now will result in a great saving to the Nation's taxpayers, promote efficiency of operation of our local governmental units, and protect our educational system and other essential civic functions.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Connecticut [Mr. Goss].

Mr. GOSS. Mr. Speaker, to my mind this resolution now being considered by the House is not only a dangerous precedent to establish but it will interfere with proper investigation in reference to the whole of our national defense, for the reason that House Resolution 275 created a subcommittee of the Military Affairs Committee, of which I happen to be a member, to investigate, among other things, "other matters in which the problem of national defense in whole or in part is involved."

About 3 weeks ago I had the opportunity to talk with the Chief of Staff at the request of some members of the subcommittee in reference not only to the subject of tin, but other materials necessary to the problem of national defense, and especially such products as are not mined or manufactured in the United States. That study is being made by the War Department this summer with the purpose in view of bringing out bills next fall, after a thorough investigation, covering not only tin, but nickel or any other products which are essential to the national defense.

Now, what happened? The gentleman from Florida [Mr. CALDWELL] is a member of the Foreign Affairs Committee. Let us have the truth as to why this bill comes out of the Foreign Affairs Committee. Here is what happened. We have three or four detinning plants in this country.

Mr. McREYNOLDS. Mr. Speaker, will the gentleman yield there?

Mr. GOSS. Yes.

Mr. McREYNOLDS. I understood the gentleman to say that he was going to tell the truth about why this came out of the Foreign Affairs Committee.

Mr. GOSS. I have not come to the truth.

Mr. McREYNOLDS. That is what the gentleman stated and I want to state that that is not true. I want to give the gentleman the facts. This has never been before the Foreign Affairs Committee and the Foreign Affairs Committee has had nothing to do with it. This came out of the Committee on Rules.

Mr. GOSS. The gentleman from Florida, the author of the resolution, is a member of the Foreign Affairs Commit-

tee, and probably that will be the committee to investigate this matter.

Here is the real truth. We have 3 or 4 detinning plants in the United States that detin cans and other products; and these detinning operations detin about 27 percent of the amount of tin imported into the United States, which comes from around Japan. We might as well recognize the facts. In time of war it would be very difficult, if not impossible, for this country to get its tin from places near Japan.

Now, what has happened? Japan—and the records of the Department of Commerce will bear me out in this statement—has bid up the price on scrap tin to around \$23 a ton. Why has she done this? There is only one reason and that is to destroy the 3 or 4 detinning plants in the United States. This is the only reason—why not be frank about it?

The Department of Commerce gave us all these figures, and they are known to our military attaches; and I think the Chief of Staff of the Army is thoroughly capable of looking into this matter; and the Chief of Staff of the Army has been requested to look into the matter not only of tin, but of nickel or any other product that is essential to our national defense, so that when our committee reports to the House, as you have ordered us to do, next fall, before the incoming Congress, all the necessary bills will be prepared for the consideration of the House.

Now, why have the Foreign Affairs Committee discuss this matter or why have them investigate it when you have already instructed the Military Affairs Committee, that knows about the matter, to do the job—and I may say the work is already under way by the Chief of Staff.

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

Mr. GOSS. I yield.

Mr. MAY. As a matter of fact, the House Military Affairs Committee is the proper committee to which all matters of national defense should be referred.

Mr. GOSS. Of course.

Mr. MAY. And if this is a matter of procuring a metal necessary to national defense, it ought to be investigated by the Military Affairs Committee.

Mr. GOSS. The gentleman is correct, and the gentleman is an able member of that committee. And I may say here that only 2 days ago the gentleman from Pennsylvania [Mr. FADDIS], who introduced H.R. 9275 to correct this very situation—his bill was under consideration before the gentleman from Florida ever put a bill in the House—2 days ago the gentleman from Pennsylvania [Mr. FADDIS] came to me and said, "The Speaker will recognize me to suspend the rules, undoubtedly, today or tomorrow and pass that bill"; but here comes along this resolution giving the Foreign Affairs Committee the opportunity of looking into this matter when the Military Affairs Committee studied the question in April, had open hearings where the Government departments were represented, and they gave us the facts about this Japanese matter without holding back anything from the House. This is why we asked the Chief of Staff to look into the matter.

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

Mr. GOSS. I yield to the gentleman from Alabama.

Mr. BANKHEAD. I trust this matter is not going to develop into a dispute as to the jurisdiction of the two committees of the House. Why does the gentleman from Connecticut differ with the statement of the chairman of his own committee, who states that there is no conflict at all between the two committees in the matter?

Mr. GOSS. I do not differ from the gentleman, but the chairman of our main committee has not been a member of the subcommittee, and the committee has asked us to go down to the War Department and have this study made by the Chief of Staff.

Mr. BANKHEAD. I have not read the Faddis bill, but I have been acquainted with its general tenor, and, I understand, that bill only relates to provisions with reference to an embargo against our domestic supply of tin.

Mr. GOSS. Scrap tin, I may say to the gentleman.

Mr. BANKHEAD. Scrap, or whatever is involved. This resolution is world-wide and international in its scope.

Mr. GOSS. I grant that, but I still say that the Military Affairs Committee of the House, whose duty it is to study the question thoroughly as to our national defense, should be the committee to decide the question and the Chief of Staff is already working on it.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. GOSS. I yield.

Mr. O'CONNOR. The gentleman realizes that we are concerned with something in this country besides the matter of military defense, and tin is an indispensable metal that is used in our industries, over which the Military Affairs Committee has no jurisdiction.

Mr. GOSS. That is true; and I suppose the reason the Foreign Affairs Committee is going into this is to kind of "soft soap" a little bit about Japan near where most of this comes from. The Military Affairs Committee will handle this matter without any gloves, and if it is necessary we will ask you to put on an embargo, but we are certainly the ones that should do it.

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

Mr. GOSS. I yield to my colleague.

Mr. MAY. I am certainly not interested in the question of what committee handles this matter, but if a matter of national defense is involved and we are investigating some particular material like tin, to which this resolution refers, it should be borne in mind that this country has a very limited supply of manganese ore which is necessary in the manufacture of steel.

Mr. GOSS. Yes; that is true.

Mr. MAY. Why not let some committee be instructed to investigate all of these matters if they affect our national defense?

Mr. GOSS. I may say to the gentleman that subcommittee no. 3, of the Military Affairs Committee, is charged with that duty and has already started its work. As I have told the House, 3 weeks ago I went down to interview the Chief of Staff and he is looking into the matter and preparing legislation for the consideration of the committee this summer.

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

Mr. GOSS. I yield.

Mr. CALDWELL. I did not get the truth that the gentleman was going to give the House the benefit of in connection with this resolution. Just what is Japan's connection with it?

Mr. GOSS. I will say that Japan has put the price of scrap tin so high that it is impossible for our detinning plants to pay that price. The testimony before our committee was to that effect, and I will ask the gentleman from Pennsylvania [Mr. FADDIS], if that is not so?

Mr. FADDIS. That is correct.

Mr. GOSS. And the Government officials testified to that?

Mr. FADDIS. That is correct.

Mr. EATON. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. EATON. I want to call the gentleman's attention to the fact that all the tin plants of this country are closed down, and have been for a year, because of the exportation of scrap.

Mr. GOSS. Twenty-three dollars a ton. I will say that Japan can keep the price up to \$23 or can make it \$25, and close down the plants. Twenty-seven percent of the total amount of imports will be lost to this Government in time of war. I will ask the gentleman from Pennsylvania if that is not true?

Mr. FADDIS. That is true.

Mr. GOSS. That is the reason we are fighting this matter.

Mr. CALDWELL. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. McREYNOLDS].

Mr. McREYNOLDS. Mr. Speaker, I am sorry to see Republican members of the Committee on Military Affairs undertake to confuse the proposition before the House. The gentleman stated that this came out of the Foreign Affairs

Committee. The Foreign Affairs Committee had nothing to do with it, but from the statements made there is no question but that an investigation should be made.

When the resolution was introduced it went before the Rules Committee, and they redrafted the resolution and substituted the Foreign Affairs Committee. As Chairman of the Foreign Affairs Committee, I will state that that committee does not care to make the investigation. It will be a hard job, and we will have to stay right here. I also want to say that, while we are not seeking it, if you put it up to our committee we are ready to do the job and report to this House. [Applause.]

I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I rise to make a brief statement to give the House the assurance that what the gentleman from Tennessee [Mr. McREYNOLDS], the Chairman of the Committee on Foreign Affairs, has just stated, are absolutely the facts. The gentleman from Florida [Mr. CALDWELL] introduced this resolution independently on his own initiative, and, as has been stated by the gentleman from Tennessee, when this matter came before the Committee on Rules there was absolutely no showing of any interest in this matter by the Committee on Foreign Affairs, and no purpose on the part of that committee to change the resolution. The original resolution, as has been stated, provided for a select committee of seven, to be appointed by the Speaker, but, following the practice which the Committee on Rules usually tries to follow in these matters of investigation, instead of setting up independent and outside select committees, we tried to place the duty of investigation upon some legislative committee that might thereafter have to deal with some phase of the subject under investigation, and I absolutely absolve the Committee on Foreign Affairs or any member of it from any purpose or any intention to try to secure for themselves the jurisdiction of this investigation.

Mr. McREYNOLDS. Did any member of the Committee on Foreign Affairs appear before the gentleman's committee, except the author of this bill?

Mr. BANKHEAD. No.

Mr. GOSS. I refer the gentleman to line 7 of the resolution:

(3) The possibility of manufacturing the munitions, motors, and other items essential to the national defense and economic welfare of the country without tin.

In view of that, why did not this go to a national-defense committee?

Mr. BANKHEAD. At that time we had no knowledge of the Faddis resolution; and while we were reporting out this resolution, involving any possible phases of the utility of tin we thought, and Mr. CALDWELL, the author, and the committee agreed that it ought to be made broad enough to accomplish some real purpose without duplication of investigation by a separate committee. I cannot understand why, if the gentleman is interested in the passage of the Faddis bill, which I and all members of the committee are willing to agree on, he does not let this resolution pass, which in no way conflicts with the provisions of the Faddis bill, and then let us pass the Faddis bill on its own merits as an independent proposition.

Mr. GOSS. The gentleman's own committee set up this Committee on Military Affairs to investigate all matters of national defense, and that is the reason.

Mr. BANKHEAD. And we know that the gentleman's subcommittee is making a good job of it, and great value will come to the Government from the investigation.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the remainder of my time to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, assuming that the pending resolution is agreed to, I am not sure that we have solved the basic problem pointed out in this resolution. Nations, not unlike individuals, too often operate best under constraint; and if we relent the constraint and the acute con-

dition that has been pointed out here this afternoon, and if we have carried out all the purposes specified in the resolution, what we have done is but to gather a little additional data and managed to bargain perhaps for some tin, but we have not solved the problem of effecting a certain lack of dependence upon the countries where tin is now found.

Let me point out briefly some of the experiences we had during the war. We had no salvarsan in this country during the World War. That is the specific used for the cure of that dread social malady. It was not until through the instrumentality of submarine warfare that our supply of salvarsan, which was brought from Germany, was cut off, that we sent our scientists into the laboratories to operate with test tubes and Bunsen burners and finally bring about a domestic supply of salvarsan.

We used to bring all of our sulphur from Sicily until we learned of this total dependence on other countries, and we found deposits in this country and began to refine them and improve on the process.

We used to bring all of our camphor from Japan. We did not have a speck of it until we sent our scientists into the laboratories to fabricate synthetic camphor to take the place of the real camphor.

This resolution does not go to the heart of the matter. Suppose we do accept tin in exchange for some portion of our war debt, we are still dependent on them, and in the event of hostilities, in the event of some kind of campaign whereby it cannot be sent to this country, we are no better off, irrespective of all the information that we may accumulate under this resolution. Indeed we are worse off, insofar as we have relented the impetus to find a substitute, and we will drift inertly along until we send our scientists into the laboratories and find a substitute for tin, which can be done, in the light of our scientific experiences with all other substances.

Mr. O'CONNOR. If the gentleman will read subdivision 3, he will see that we have provided for that.

Mr. DIRKSEN. That can be done without this resolution. We have a great institution out there on Connecticut Avenue, the Bureau of Standards, that is a vast laboratory subsidized for that very purpose.

Mr. CALDWELL. Is the gentleman aware of the fact that for the last 100 years the best engineers and scientists of this country and the world have made every effort to find some substitute for tin but up to this time they have miserably failed?

Mr. DIRKSEN. Did we not say the same thing about rayon when we were constantly importing, and now we have the greatest rayon mills in the world? Did we not say the same thing about pulp paper, and we were importing great quantities, millions of tons every year in fact, and were dependent upon Canada and Great Britain? Let me say in that connection they had to get some philanthropist like Dr. Garvan, of the American Chemical Foundation, to go down into Georgia and send the long-leaf pine to the mills in Canada to fabricate it and process it and show that it could be converted into the finest grade of pulp paper? That was all done through individual enterprise, and still we continue to be dependent on these other nations. If there had not been some kind of constraint, even that amount of pioneering never would have been done. When we relent now, we will drift supinely along and will always be dependent on those who have a native supply of tin. We will never find a substitute. It is only when you put the lash on this country and on the backs of individuals in the realm of science that you get what you want and need.

Mr. CALDWELL. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CALDWELL. Will the gentleman permit me to say that tin is much in the same category as gold? It comes out of the ground. It cannot be made. Efforts have been made to create substitutes, but without avail. There is a vast difference, a very marked distinction, between a basic metal and substitutes for things like paper.

Mr. DIRKSEN. There is no substitute for a camphor tree, such as they have in the Orient, yet we managed to fabricate synthetic camphor and are no longer dependent on Japan, and that argument does not hold water.

Mr. BANKHEAD. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BANKHEAD. Would the gentleman have us embark on the enterprise of manufacturing synthetic tin?

Mr. DIRKSEN. No. I am seeking to bring about some kind of experience whereby they will find a substitute for it.

Mr. BANKHEAD. Have they found any substitute for gold or radium or silver?

Mr. DIRKSEN. Perhaps not, but that does not alter the fact that in industrial uses you will find it just as we have found it with chromium and steel and vanadium and these other things that have all supplanted the present metals, which we thought were not replaceable.

I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

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

The question was taken; and on a division (demanded by Mr. TABER) there were—yeas 61, noes 41.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 227, nays 96, not voting 106, as follows:

[Roll No. 192]  
YEAS—227

Abernethy	Driver	Kocalkowski	Richards
Adair	Duffey	Kopplemann	Robertson
Adams	Duncan, Mo.	Kramer	Robinson
Arnold	Dunn	Lambeth	Rogers, N.H.
Ayers, Mont.	Durgan, Ind.	Lamneck	Romjue
Bankhead	Eagle	Lanham	Rudd
Beiter	Eaton	Lanzetta	Ruffin
Berlin	Edmiston	Larrabee	Sabath
Biermann	Eicher	Lea, Calif.	Sadowski
Black	Ellenbogen	Lehr	Sanders, La.
Bland	Ellzey, Miss.	Lesinski	Sanders, Tex.
Bloom	Faddis	Lewis, Colo.	Sandlin
Boylan	Farley	Lewis, Md.	Schaefer
Brown, Ga.	Flesinger	Lloyd	Schuetz
Brown, Ky.	Flannagan	Lundeen	Schulte
Brunner	Fletcher	McCarthy	Sears
Buck	Foulkes	McCormack	Secrest
Burch	Frey	McDuffie	Shallenberger
Burke, Nebr.	Fuller	McFarlane	Shannon
Busby	Fulmer	McGrath	Sisson
Byrns	Gasque	McReynolds	Smith, Va.
Caldwell	Gavagan	McSwain	Smith, W.Va.
Cannon, Mo.	Gillespie	Maloney, Conn.	Somers, N.Y.
Carden, Ky.	Gillette	Maloney, La.	Spence
Carmichael	Glover	Mansfield	Steagall
Carpenter, Kans.	Goldsborough	Martin, Colo.	Strong, Tex.
Carpenter, Nebr.	Granfield	Martin, Oreg.	Stubbs
Cartwright	Gray	May	Sutphin
Castellow	Green	Meeks	Tarver
Celler	Greenway	Miller	Taylor, Colo.
Chapman	Greenwood	Milligan	Taylor, S.C.
Chavez	Gregory	Mitchell	Terry, Ark.
Cochran, Mo.	Griswold	Monaghan, Mont.	Thom
Colden	Hart	Montague	Turner
Cole	Hastings	Montet	Umstead
Colmer	Henney	Moran	Underwood
Condon	Hildebrandt	Musselwhite	Utterback
Connerly	Hill, Ala.	Nesbit	Vinson, Ga.
Cooper, Tenn.	Hill, Samuel B.	O'Brien	Vinson, Ky.
Cox	Hoeppel	O'Connell	Wallgren
Cravens	Hoidale	O'Connor	Walter
Crosby	Howard	O'Malley	Warren
Cross, Tex.	Hughes	Oliver, Ala.	Wearin
Crosser, Ohio	Imhoff	Oliver, N.Y.	Weaver
Crowe	Jacobsen	Owen	Weideman
Cullen	Jenckes, Ind.	Palmisano	Werner
Deen	Johnson, Okla.	Parker	West, Tex.
Delaney	Johnson, Tex.	Parsons	Whittington
DeRouen	Johnson, W. Va.	Patman	Wilcox
Dickinson	Jones	Peterson	Willford
Dickstein	Kee	Peysor	Williams
Dies	Keller	Pierce	Wilson
Disney	Kennedy, Md.	Polk	Wood, Ga.
Dobbins	Kenney	Ramsay	Woodrum
Doughton	Kerr	Ramspeck	Young
Doxey	Kloeb	Rankin	Zioncheck
Drewry	Kniffin	Rayburn	



## NAYS—96

Allen	Dondero	Kelly, Pa.	Ransley
Andrew, Mass.	Dowell	Kinzer	Reece
Andrews, N.Y.	Edmonds	Knutson	Reilly
Arens	Eitse, Calif.	Kurtz	Rogers, Mass.
Bacharach	Englebright	Kvale	Sinclair
Bakewell	Evans	Lambertson	Snell
Beck	Focht	Lehlbach	Strong, Pa.
Beedy	Foss	Lemke	Sweeney
Blanchard	Gilchrist	Luce	Taber
Bianton	Goodwin	Ludlow	Taylor, Tenn.
Bolleau	Goss	McFadden	Terrell, Tex.
Britten	Guyer	McGugin	Thomas
Buchanan	Hancock, N.Y.	Mapes	Tinkham
Burnham	Hancock, N.C.	Martin, Mass.	Tobey
Cady	Harlan	Merritt	Turpin
Carter, Calif.	Hartley	Millard	Wadsworth
Carter, Wyo.	Hess	Morehead	Waldron
Christianson	Hollister	Mott	Welch
Clarke, N.Y.	Holmes	Moynihan, Ill.	Whitley
Cochran, Pa.	Hope	Murdock	Wigglesworth
Connolly	James	Perkins	Withrow
Culkin	Jenkins, Ohio	Pettengill	Wolfcott
Darrow	Johnson, Minn.	Plumley	Wolfenden
Dirksen	Kahn	Powers	Wolverton

## NOT VOTING—106

Allgood	Corning	Huddleston	Scrugham
Auf der Heide	Crowther	Jeffers	Seeger
Ayres, Kans.	Crump	Kelly, Ill.	Shoemaker
Bacon	Cummings	Kennedy, N.Y.	Simpson
Balley	Darden	Kleberg	Sirovich
Beam	Dear	Lee, Mo.	Smith, Wash.
Boehne	De Priest	Lindsay	Snyder
Boland	Dingell	Lozier	Stalker
Bolton	Ditter	McClintic	Stokes
Brennan	Dockweiler	McKeown	Studley
Brooks	Douglass	McLean	Sullivan
Brown, Mich.	Doutrich	McLeod	Sumners, Tex.
Browning	Fernandez	McMillan	Swank
Buckbee	Fish	Marland	Swick
Bulwinkle	Fitzgibbons	Marshall	Thomason
Burke, Calif.	Fitzpatrick	Mead	Thompson, Ill.
Cannon, Wis.	Ford	Muldowney	Thompson, Tex.
Carley, N.Y.	Frear	Norton	Thurston
Cary	Gambrill	Parks	Traeger
Cavicchia	Gifford	Peavey	Treadway
Chase	Griffin	Prall	Truax
Church	Haines	Randolph	West, Ohio
Claborne	Hamilton	Reed, N.Y.	White
Clark, N.C.	Harter	Reid, Ill.	Wood, Mo.
Collins, Calif.	Healey	Rich	Woodruff
Collins, Miss.	Higgins	Richardson	
Cooper, Ohio	Hill, Knute	Rogers, Okla.	

So the resolution was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Randolph (for) with Mr. Truax (against).  
 Mr. West of Ohio (for) with Mr. Doutrich (against).  
 Mr. Fitzpatrick (for) with Mr. Treadway (against).  
 Mr. Kennedy of New York (for) with Mr. Gifford (against).

Until further notice:

Mr. Corning with Mr. Bacon.  
 Mr. Beam with Mr. Woodruff.  
 Mr. Mead with Mr. Crowther.  
 Mr. McMillan with Mr. McLeod.  
 Mr. Kelly of Illinois with Mr. Reed of New York.  
 Mr. Douglass with Mr. Bolton.  
 Mr. Knute Hill with Mr. Swick.  
 Mr. Lozier with Mr. Simpson.  
 Mr. Thompson of Texas with Mr. McLean.  
 Mr. Boehne with Mr. Chase.  
 Mr. Thomason with Mr. Ditter.  
 Mr. Gambrill with Mr. Traeger.  
 Mr. Dingell with Mr. Marshall.  
 Mr. Green with Mr. Seger.  
 Mr. Ayres of Kansas with Mr. Cavicchia.  
 Mr. Snyder with Mr. Stalker.  
 Mr. Thompson of Illinois with Mr. Buckbee.  
 Mr. Crump with Mr. Thurston.  
 Mr. Darden with Mr. Stokes.  
 Mr. Dear with Mr. Rich.  
 Mr. Boland with Mr. Frear.  
 Mr. Richardson with Mr. Muldowney.  
 Mr. Brooks with Mr. Higgins.  
 Mr. Fitzgibbons with Mr. Peavey.  
 Mr. Sullivan with Mr. Reid of Illinois.  
 Mr. Shoemaker with Mr. De Priest.  
 Mr. Prall with Mr. Balley.  
 Mr. Swank with Mr. Church.  
 Mr. McClintic with Mr. Ford.  
 Mr. McKeown with Mr. Studley.  
 Mr. Bulwinkle with Mr. Rogers of Oklahoma.  
 Mrs. Norton with Mr. Dockweiler.  
 Mr. Huddleston with Mr. Lee of Missouri.  
 Mr. Parks with Mr. Scrugham.  
 Mr. Clark of North Carolina with Mr. Healey.  
 Mr. Sirovich with Mr. Cannon of Wisconsin.  
 Mr. White with Mr. Hamilton.

Mr. Lindsay with Mr. Marland.  
 Mr. Wood of Missouri with Mr. Haines.  
 Mr. Griffin with Mr. Brennan.  
 Mr. Fernandez with Mr. Carley.  
 Mr. Carey with Mr. Harter.  
 Mr. Kleberg with Mr. Brown of Michigan.  
 Mr. Browning with Mr. Claborne.  
 Mr. Burke of California with Mr. Cummings.  
 Mr. Jeffers with Mr. Auf der Heide.  
 Mr. Collins of Mississippi with Mr. Allgood.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

The doors were opened.

## ATTENDANCE OF MARINE BAND AT NATIONAL ENCAMPMENT GRAND ARMY OF THE REPUBLIC (S.DOC. NO. 223)

Mr. VINSON of Georgia submitted a conference report (Rept. No. 2024), to accompany H.R. 9145, to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces, to be held at Asheville, N.C., on September 28, 29, and 30, 1934, for printing in the RECORD.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 9145) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic in Rochester.

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

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

## CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9145) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 3 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "and the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July 1934"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "encampment and convention"; and the Senate agree to the same.

Amendment of title: That the House recede from its disagreement to the amendment of the Senate to the title of said bill and agree to the same with an amendment, as follows: In lieu of the amendment to the title of the bill proposed by the Senate insert the following: "An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of

the World War, to be held at Colorado Springs, Colo., during the first week in July 1934"; and the Senate agree to the same.

CARL VINSON,  
P. H. DREWRY,  
FRED A. BRITTEN,

*Managers on the part of the House.*

DAVID I. WALSH,  
EDWARD P. COSTIGAN,  
JESSE H. METCALF,

*Managers on the part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On no. 1: Limits the conventions and encampments at which the Marine Band may attend to those of the Disabled American Veterans of the World War and the Grand Army of the Republic, instead of including also the convention of the Thirtieth Division of the American Expeditionary Forces, as proposed by the Senate, and confining attendance to the encampment of the Grand Army of the Republic only, as was proposed by the House.

On no. 2: Provides for attendance of the Marine Band at one encampment and one convention in order to conform with the provisions agreed to in amendment no. 1.

On no. 3: Authorizes an appropriation of \$11,000 for expenses, instead of \$3,700, as proposed by the House.

The title of the bill is amended to conform with the purpose of the measure as agreed to by the conferees.

CARL VINSON,  
P. H. DREWRY,  
FRED A. BRITTEN,

*Managers on the part of the House.*

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

#### COMMITTEE TO INVESTIGATE BANKRUPTCY COURTS

Mr. DUFFEY. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 440.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. DUFFEY]?

There was no objection.

The Clerk read as follows:

*Resolved,* That the Judiciary Committee of the House of Representatives, authorized to inquire into and investigate the matter of appointments, conduct, proceedings, and acts of receivers, trustees, referees in bankruptcy, and receivers in equity causes for the conservation of assets within the jurisdiction of the United States District Courts pursuant to House Resolution 145 and House Resolution 228, shall report to the House of Representatives not later than January 3, 1935, in lieu of June 30, 1934, the date specified in House Resolution 228.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendment to the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BARKLEY, Mr. McKELLAR, and Mr. FESS to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Secretary be directed to return to the House, in compliance with its request, the resolution of the House agreeing to the amendments of the Senate to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, agrees to a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WHEELER, Mr. WAGNER, Mr. BROWN, Mr. HATFIELD, and Mr. HASTINGS to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations, and for other purposes, agrees to a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WHEELER, Mr. THOMAS of Oklahoma, and Mr. FRAZIER to be the conferees on the part of the Senate.

#### FEDERAL BANKRUPTCY ACT

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3779) to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934.

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

Mr. SNELL. Reserving the right to object, this bill, I think, goes pretty far in legislation, and I would like to have an explanation of it.

Mr. CELLER. When we passed the corporate reorganization bill it went off on two angles. One provided for reorganization—

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. HANCOCK of New York. Is this the amendment which the Federal judges in the southern district of New York requested?

Mr. CELLER. Not only the Federal judges of the southern district, but the judges all over the country. It provides for the landlords filing their claims against bankrupt estates provided the case is pending in court now and that the 6 months within which the claims must be filed has not elapsed.

Through inadvertence it was left out of the corporate reorganization bill. This perfects that bill and is quite essential if we are to avoid a great deal of expense and inconvenience in opening up the old estates.

Mr. OLIVER of New York. Mr. Speaker, if my colleague will yield, the Senate passed this bill yesterday.

Mr. CELLER. The Senate passed this bill yesterday, Mr. Speaker, and it was unanimously voted out by the Committee on the Judiciary.

Mr. O'CONNOR. Is this the bill about which we received so many telegrams?

Mr. CELLER. Yes; this is the one.

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

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 4 (a) (7) of the act entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplemental thereto", approved June 7, 1934, is hereby amended by adding

at the end of said clause (7) after the words "Provided further, That the provisions of this clause (7) shall apply to estates pending at the time of the enactment of this amendatory act", the words "in which the time for filing such claims has not expired."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### NEEDY BLIND IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 4, line 3, after "needed", insert "Provided, That the provisions of this act shall not apply to both husband and wife: And provided further, That in the case of a dependent child living with its parents or parent, such compensation shall not exceed \$30 per month."

Page 8, line 12, after "act", insert "Provided further, That this act shall expire on June 30, 1937."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

#### UNITED STATES NAVAL STATION, GUANTANAMO BAY, CUBA

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the bill (S. 504) to authorize the Secretary of the Navy to make a long-term contract for the supply of water to the United States naval station at Guantanamo Bay, Cuba.

The clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill as follows:

*Be it enacted, etc.*, That the Secretary of the Navy be, and he is hereby, authorized and empowered, at his discretion, to negotiate and enter into a long-term contract without regard to fiscal year, with the lowest responsible and capable bidder, to be determined by the Secretary of the Navy, for supplying the United States naval station at Guantanamo Bay, Cuba, with an adequate and satisfactory supply of water, suitable for all purposes, delivered into the water-storage reservoirs within said naval station, in such an amount as he shall deem adequate for the present and future needs of the station, and at such annual cost or rental as in his judgment may be for the best interests of the Government. Any contract entered into pursuant to the provisions of this act shall contain a provision authorizing the Secretary of the Navy within a reasonable period of time prior to the expiration of such contract to extend the contract for such additional period and on such terms as in his judgment may be for the best interests of the Government but in no event at a higher cost to the Government than under the existing contract, and said Secretary is hereby authorized to enter into such extension.

Sec. 2. This act shall become effective immediately upon its passage and approval.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

#### EDUCATIONAL OPPORTUNITIES FOR THE CHILDREN OF SOLDIERS, SAILORS, AND MARINES

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9143) to provide educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 2, line 4, after "child", insert "in any 1 year."

Page 2, line 5, strike out all after "further", down to and including "Education", in line 9, and insert: "That appropriate"

tions made in accordance with this act shall be expended, under rules and regulations prescribed by the Board of Education of the District of Columbia, only for such children as the said Board, from time to time, may find to be in need of such aid and in such amounts as the said Board from time to time may determine in the case of each child."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

#### DISTRICT ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9622), to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 2, after line 5, insert: "(1) A tax of 85 cents on every wine-gallon of wine containing more than 14 percent of alcohol by volume, except champagne, or any wine artificially carbonated and a proportionate tax at a like rate on all fractional parts of such gallon; (2) a tax of 50 cents on every wine-gallon of champagne or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (3) a tax of 50 cents on every wine-gallon of spirits, and a proportionate tax at a like rate on all fractional parts of such gallon; (4) and a tax of \$1.10 on every wine-gallon of alcohol, and a proportionate tax at a like rate on all fractional parts of such gallon."

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

#### PROTECTION OF SEA LIONS IN ALASKA

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8639) to repeal certain laws providing for the protection of sea lions in Alaskan waters, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the Senate amendments, as follows:

Strike out lines 6 and 7 and insert: "That sea lions shall not be killed in the waters of Alaska except under such rules and regulations as the Secretary of Commerce may prescribe, in order to prevent the extinction of sea lions as a species of interesting sea life in the waters of Alaska."

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

#### THE COTTON INDUSTRY

Mr. BUCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration Senate Joint Resolution 138, to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934.

Pending the putting of the request I desire to state to the minority leader and to the Members of the House that this Senate joint resolution is the same as House Joint Resolution No. 369, for the consideration of which I asked unanimous consent the other day, and to which request the gentleman from Georgia objected. The gentleman from Georgia has withdrawn his objection and I know of no reason why the resolution cannot now be considered.

The Clerk read the title of the Senate joint resolution.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

*Resolved, etc.*, That the act entitled "An act to place the cotton industry on a sound financial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934,

is hereby amended by adding at the end thereof the following new section:

"Sec. 25. (a) No tax-exemption certificates shall be issued to any person not engaged in production of cotton in the crop year during which such certificates are issued.

"(b) Whenever after apportionment under sections 7 and 8 any surplus number of bales remain of the amount allotted to any county under section 5 (b) such surplus bales shall be allotted, in such quantities as the Secretary of Agriculture determines, to such other counties within the State as the Secretary of Agriculture determines have an insufficient allotment. Said bales shall be apportioned, pursuant to sections 7 and 8, within the respective counties to which allotted, but in no case shall any farm receive any of such allotment so as to receive a total allotment in excess of its estimated production for the crop year in which such allotment is made.

"(c) In computing the production of any State pursuant to section 5 (a) the total production of cotton for such State in the 5-year period, 1928-32, inclusive, shall be used regardless of the length of staple of such production."

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### REHABILITATION OF ORCHARDS

Mr. SUTPHIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration, Senate Joint Resolution 106, authorizing loans to fruit growers for rehabilitation of orchards during the year 1934.

The Clerk read the title of the Senate joint resolution.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

*Resolved, etc.,* That the Governor of the Farm Credit Administration is authorized to make loans to fruit growers for necessary expenses to rehabilitate their orchards during the calendar year 1934, in the same manner and under the same terms and conditions (including penalties) as in the case of loans under the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes", approved February 23, 1934; except that (1) a first lien on all crops grown or harvested during the years 1934 to 1938, both inclusive, shall be required as security for any such loans to a fruit grower, and (2) no such loan shall be made for a period of more than 5 years or in an amount in excess of \$5,000 to any one borrower. To carry out the provisions of this resolution there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000,000, or so much thereof as may be necessary.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration Senate Joint Resolution 83, amending public resolution numbered 118, Seventy-first Congress, approved February 14, 1931, providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts.

The Clerk read the title of the Senate joint resolution.

Mr. BLANTON. Mr. Speaker, reserving the right to object, if this bill is passed, it will cost the Government of the United States an initial expense of \$3,000, and then it will cost a recurring expense of at least \$250 a year.

Mr. McREYNOLDS. Yes. We will have to have an appropriation.

Mr. BLANTON. May I ask the gentleman if he thinks that this is absolutely necessary?

Mr. McREYNOLDS. I think so, from the report that I get and from the insistence made on behalf of the administration.

Mr. BLANTON. Is it not possible that we could do without that for a while?

Mr. McREYNOLDS. We have not very successfully done so thus far. This happened last year. They had a conference last year and a gentleman went over there at his own expense. He has been appointed by the President to return as a representative of the Government, and there are three other men provided for, who are employed by the Government.

Mr. BLANTON. I have objected to so many bills that the gentleman from Tennessee has offered that I am afraid if I object to this one he might think there was something personal, and, therefore, I will not object. It is likely that this is a meritorious measure.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, this is an attempt to codify the aerial laws of the various nations?

Mr. McREYNOLDS. Yes.

Mr. ELTSE of California. What purpose will be served by having all of the laws of the nations codified?

Mr. McREYNOLDS. Whether they are codified or not, we are interested in the laws of other countries in reference to the air. Our planes fly to Mexico and to South America. In this conference we will have a chance to agree on the character of the statutes to be enacted with reference to the control of planes while in these various foreign countries. We are at present put to some disadvantage on the question of insurance, the question of liability, and in reference to other matters.

Mr. ELTSE of California. Does the gentleman think there is any possible chance of these nations getting together on a codification of laws?

Mr. McREYNOLDS. Yes; not so much on a codification, but on an agreement as to the laws that will apply to the air.

Mr. ELTSE of California. Is there any more reason why the laws should be codified so far as the aerial traffic is concerned than with reference to the automobile traffic or railroad traffic?

Mr. McREYNOLDS. Yes. We do not have railroads running into foreign countries. If a plane flies from here to Argentina, there may be conditions existing under the laws of Argentina that would work a hardship on us. What we want to be able to do is to take part with the countries of the world in determining what character of legislation should be passed in reference to the air, and I think it is highly important.

Mr. ELTSE of California. There is \$3,000 authorized under this bill for the first year?

Mr. McREYNOLDS. Yes.

Mr. ELTSE of California. And the work cannot be completed in 1 year?

Mr. McREYNOLDS. The word "annually" may be stricken out if the gentleman wishes.

Mr. ELTSE of California. Mr. Speaker, I object.

#### NINTH PAN AMERICAN SANITARY CONFERENCE

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 59, to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference, and ask for its immediate consideration.

The Clerk read the joint resolution, as follows:

#### Senate Joint Resolution 59

*Resolved, etc.,* That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$3,000, or so much thereof as may be necessary, for the expenses of three delegates of the United States, to be appointed by the President, to the Ninth Pan American Sanitary Conference to be held in 1933 or 1934, at Buenos Aires, Argentina, or at such time and place as may be determined hereafter. The expenses herein provided for shall include the compensation of employees, travel, subsistence, or per diem in lieu of subsistence (notwithstanding the provisions of any other act), and such miscellaneous and other expenses as the President shall deem proper to be expended under the direction of the Secretary of State.

With the following committee amendment:

On page 1, line 3, after the word "hereby" insert the words "authorized to be".

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

Mr. SNELL. Mr. Speaker, reserving the right to object, I notice this provides for a conference to be held in 1933 or 1934. It cannot be very definite as to when the conference is to be called.

Mr. McREYNOLDS. It is to be called in 1934.

Mr. SNELL. The resolution states "1933 or 1934." How important is this matter?

Mr. McREYNOLDS. I think this is one of the most important conferences that we are to have. It is the purpose of Dr. Cummings and another man to meet with the doctors of the Pan American countries on the question of South American diseases which spread throughout our country and from a sanitary and health standpoint it is most important because we get those tropical diseases from those countries.

Mr. SNELL. When is the conference to be called?

Mr. McREYNOLDS. Sometime this year.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, this bill has been on the Consent Calendar?

Mr. McREYNOLDS. Yes.

Mr. ELTSE of California. There were three objections offered at the time it came up for consideration on the Consent Calendar?

Mr. McREYNOLDS. Yes. The objectors are present.

Mr. ELTSE of California. I happen to be one of them.

Mr. McREYNOLDS. The gentleman from Michigan is here and he told me that he regretted he made the objection the first time. I am speaking in the presence of the gentleman, and he stated that he regretted voting against the bill the last time.

Mr. WOLCOTT. Mr. Speaker, I confirm what the gentleman has just stated. After discussing the bill with the gentleman I had my mind changed by the worthy chairman of the committee. I think this is a desirable bill.

Mr. ELTSE of California. Mr. Speaker, I withdraw my reservation.

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

There was no objection.

The committee amendment was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CONTROL OF ALCOHOLIC BEVERAGES IN THE CANAL ZONE

Mr. LEA of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3696) authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes, and ask for its immediate consideration.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the President is hereby authorized to make rules and regulations in respect to the sale and manufacture of alcoholic beverages within, and the importation thereof into and exportation thereof from, the Canal Zone, including the authority to prescribe licenses and fees for the sale and manufacture of such beverages.

Sec. 2. Any person violating any provision of such rules and regulations shall be punished by a fine of not more than \$500 or imprisoned in jail for not more than 6 months, or by both, and in addition the license of such person may be revoked or suspended as the President may by such rules and regulations prescribe.

Sec. 3. All laws, rules, regulations, and orders in force prior to the date this act takes effect, insofar as they apply to the sale, manufacture, possession, transportation, importation, and exportation of alcoholic beverages in the Canal Zone, are repealed.

Sec. 4. This act shall take effect on the thirtieth day after the date of its enactment.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill, H.R. 8173, were laid on the table.

Mr. LEA of California. Mr. Speaker, in connection with the bill just passed I ask unanimous consent for the present consideration of a House concurrent resolution (H.Con.Res. 46) permitting this bill to be published in the Canal Zone Code.

The Clerk read the House concurrent resolution, as follows:

#### House Concurrent Resolution 46

*Resolved by the House of Representatives (the Senate concurring),* That the provisions of S. 3696, entitled "An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes", shall, with

necessary editorial changes, be incorporated and printed in the proper place in the Canal Zone Code, H.R. 8700, prior to its enrollment and signature.

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

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

#### AMENDMENT OF THE FOOD AND DRUGS ACT, APPROVED JUNE 30, 1906

Mr. COLMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3655) to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, and consider the same.

The Clerk read the bill as follows:

*Be it enacted, etc.,* That the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, is amended by adding after section 10 thereof the following new section:

"Sec. 10A. The Secretary of Agriculture, upon application of any packer of any sea food sold in interstate commerce, may at his discretion designate supervisory inspectors to examine and inspect all premises, equipment, methods, materials, containers, and labels used by such applicants in the production of such food. If the food is found to conform to the requirements of this act, the applicant shall be authorized, in accordance with regulations prescribed by the Secretary of Agriculture, to mark the food so as to indicate such conformity. Services to any applicant under this section shall be rendered only upon payment of fees to be fixed by regulations of the Secretary of Agriculture in such amount as to cover the cost of the supervisory inspection and examination, together with the reasonable costs of administration incurred by the Secretary of Agriculture in carrying out this section. Receipts from such fees shall be covered into the Treasury and shall be available to the Secretary of Agriculture for expenditures incurred in carrying out this section. Any person who forges, counterfeits, simulates, or falsely represents, or without proper authority uses any mark, stamp, tag, label, or other identification devices authorized by the provisions of this section or regulations thereunder, shall be guilty of a misdemeanor, and shall on conviction thereof be subject to imprisonment for not more than 1 year or a fine of not less than \$1,000 nor more than \$5,000, or both such imprisonment and fine."

Mr. BLANTON. Mr. Speaker, I object to this bill. We want to have time to look into a matter of this kind. It is called up too hurriedly.

Mr. COLMER. Let me tell the gentleman what it is.

Mr. BLANTON. Is this any part of the Tugwell-Sirovich-Copeland bill?

Mr. COLMER. Not at all. This is an amendment to the pure-food law which will enable the packers of sea foods to have inspection service at their own expense.

Mr. BLANTON. Does it affect anything except sea foods?

Mr. COLMER. That is all.

Mr. BLANTON. Does it come under the interpretation of pre-prohibition days or since those days as to what is or is not sea food?

Mr. COLMER. Either way the gentleman wants it—this applies to sea foods.

Mr. HOLMES. Mr. Speaker, reserving the right to object, I would like to have section 10A read.

The Clerk read section 10A.

Mr. HOLMES (interrupting the reading of the section). Mr. Speaker, I ask unanimous consent that the further reading of the section be dispensed with. I have no objection.

The SPEAKER. Without objection, the further reading of the section will be dispensed with.

There was no objection.

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

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill, H.R. 9786, were laid on the table.

CAROLINE M. EAGAN

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 194) to refund to Caroline M. Eagan income tax erroneously and illegally collected, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 9, strike out all after "1925" down to and including "taxes", in line 11.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask one question. How much does this bill involve, approximately?

Mr. BLACK. Ten thousand nine hundred and fifty dollars.

Mr. BLANTON. And why is such \$10,950 to be paid out by the Government?

Mr. BLACK. This bill passed the House and passed the Senate with an amendment reported by the committee. It is based on erroneous collection of taxes, based upon a mistake made by the Government agent in dealing with the beneficiary of this bill.

Mr. BLANTON. And the Government's liability is based on what kind of a proposition?

Mr. BLACK. Based on erroneous information given to this applicant for relief as to her rights.

Mr. BLANTON. Is it the result of some wrong treatment?

Mr. BLACK. No; it is purely an income-tax matter.

Mr. BLANTON. The reason I am asking the question is because, as the gentleman knows, there was a bill that came out of his committee that we have been objecting to here for years, but on insistence we finally let it go by and the President had to veto it the other day.

Mr. BLACK. That bill did not come out of Claims Committee. That came from the District of Columbia Committee, and I am only a minor lieutenant on that committee.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee why he takes up this private bill when there are others on the calendar?

Mr. BLACK. This is a bill on the Speaker's desk and is a bill introduced by the gentleman from New Jersey [Mr. BACHARACH]. It passed the House and went to the Senate and is now on the Speaker's table with a Senate amendment.

Mr. JENKINS of Ohio. It is not on a Private Calendar.

Mr. BLACK. No; it has passed the House.

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

## FORT DOUGLAS MILITARY RESERVATION

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3618) to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah, and pass the same.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. ELTSE of California. Mr. Speaker, I reserve the right to object. This has not been on the Consent Calendar, has it?

Mr. McSWAIN. No; it has not yet been reached.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That there is hereby granted to the University of Utah the following-described land, lying within the United States Fort Douglas Military Reservation and adjacent to the site of said university in the State of Utah, namely: Beginning at the United States Government stone monument at the northeast corner of the University of Utah campus; thence running south along the west boundary of the United States Fort Douglas Military Reservation 2,632 feet, more or less, to the north line of Salt Lake City Reservoir site; thence east along said north line of said reservoir site 715 feet; thence in a southeasterly direction 180 feet, more or less, along the boundary of said reservoir site to the southeast corner of said reservoir site; thence east 100 feet; thence north on a line 965 feet from and parallel to the west

boundary of the United States Fort Douglas Military Reservation 3,144 feet, more or less, to a point which is 965 feet east and 50 feet north of the point of beginning; thence west 1,120 feet to the west boundary of the United States Fort Douglas Military Reservation; thence south 50 feet; thence east 155 feet to the point of beginning.

Sec. 2. That any and all right, title, or interest which the United States now has in and to the above-described land, be, and the same hereby are, released and granted to and vested in the State of Utah and the University of Utah, and this act shall be deemed a conveyance in fee simple of the said land: *Provided,* That the State of Utah or the University of Utah shall improve the said property and maintain the same for university purposes, and not otherwise, and that in case said land shall be abandoned by the State or the University of Utah for said purposes the said land and all improvements thereon shall revert to the United States: *Provided further,* That the State of Utah or the University of Utah shall construct within 3 years and perpetually maintain a roadway along the eastern boundary of the above-described land hereby granted to the State of Utah and the University of Utah: *Provided further,* That the grant of said land shall in no manner carry with it any right or title in or to any portion of the waters of the Red Butte Canyon Creek: *And provided further,* That there is reserved to the United States the perpetual right to maintain, alter, rebuild, and enlarge the sewer which runs from the Fort Douglas Military Post across said tract of land, or to construct, and maintain a new sewer system across the same, should it be or become desirable to do so: *And provided further,* That there is reserved to Salt Lake City, a municipal corporation organized and existing under the laws of the State of Utah, a perpetual easement and right-of-way for the operation, maintenance, repair, and renewal of the conduit and pipe line as now constructed over and upon the Fort Douglas Military Reservation in said State, the same being connected with the water-supply system of the said city; and also for the construction, operation, maintenance, repair, and renewal of all valve houses which may be deemed necessary in connection with said pipe line: *And provided further,* That the University of Utah shall erect and maintain a suitable fence between the military reservation and the tract granted.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

A similar House bill, H.R. 9662, was laid on the table.

## KING HILL IRRIGATION DISTRICT, IDAHO

Mr. SAMUEL B. HILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3151) to convey to the King Hill Irrigation District, State of Idaho, all the interest of the United States in the King Hill Federal Reclamation Project, and for other purposes, an identical House bill being on the calendar.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, what does the bill do?

Mr. SAMUEL B. HILL. This bill has to do with an irrigation district in the State of Idaho. The Government has already lost its money. It has spent about \$2,000,000. The district is in such situation that the Government, in order to get anything out of it at all, would have to put in a great deal of money.

Mr. MARTIN of Massachusetts. How much more money is it going to cost the Government?

Mr. SAMUEL B. HILL. It will not cost the Government a cent.

Mr. ELTSE of California. This bill was on the Consent Calendar the other day and I objected to it.

Mr. SAMUEL B. HILL. Yes.

Mr. MARTIN of Massachusetts. This is not to put us into the irrigation business any more, is it?

Mr. SAMUEL B. HILL. No; it is getting us out of it.

Mr. ELTSE of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is hereby authorized to enter into a contract with the King Hill Irrigation District, organized under the laws of the State of Idaho, by which said district and the United States shall rescind the agreements between them of March 2, 1926, November 14, 1923, January 11, 1922, June 17, 1920, and December 17, 1917, each party in such rescissory agreement to release the other from all obligations, accrued or to accrue, under the said five agreements, and the United States as a part of said rescissory agreement to quitclaim to the said district all the right, title, interest and

estate of the United States in or to said King Hill Reclamation project, including the water rights thereof and any real estate acquired or held by the United States in connection therewith.

The bill was ordered to be read a third time, was read the third time and passed and a motion to reconsider laid on the table.

A similar House bill, H.R. 9583, was laid on the table.

#### LOANS TO OYSTER PLANTERS BY CREDIT ASSOCIATIONS

Mr. SUTPHIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, S. 3541, to authorize production credit associations to make loans to oyster planters.

The Clerk read the title of the bill.

The Speaker. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. This has been reported by the Committee on Agriculture?

Mr. SUTPHIN. Yes.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That, subject to the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the production credit commissioner, production credit associations organized under the Farm Credit Act of 1933 are authorized to make loans to oyster planters who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof; to sell, discount, assign, or otherwise dispose of any loans made by them under the provisions of this act; and to do any and all other things necessary to carry these provisions into effect. With the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the intermediate credit commissioner, the Federal intermediate credit banks are authorized and empowered to discount for or purchase from any production credit association any note, draft, or other such obligation representing a loan or loans made under the provisions of this act; and to make loans or advances direct to any such organization secured by such obligations.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### BRIDGE ACROSS ST. CLAIR RIVER, PORT HURON, MICH.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3545) to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich., authorized to be built by the Great Lakes Bridge Commission by an act of Congress approved June 25, 1930, heretofore extended by acts of Congress approved February 28, 1931, June 9, 1932, and June 13, 1933, are hereby extended 1 and 3 years, respectively, from June 13, 1934.

Sec. 2. The right to alter amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill, H.R. 8577, was laid on the table.

#### PROCTORS' AND MARSHALS' FEES

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9091) to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. What is this bill?

Mr. CELLER. It provides a revised schedule for proctors' and marshals' fees in admiralty.

Mr. BLANTON. That is all it does?

Mr. CELLER. Yes.

Mr. TABER. Did the Committee on the Judiciary report on this bill?

Mr. CELLER. It reported it out unanimously.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 824 of the Revised Statutes (U.S.C., title 28, sec. 572) is amended by adding after the first paragraph of such section the following new paragraph:

"On appeals in admiralty, where the amount involved is not over \$1,000 a proctor's docket fee of \$20; where the amount involved is from \$1,000 to \$5,000 a proctor's docket fee of \$50; where the amount involved is over \$5,000 a proctor's docket fee of \$100. On such appeals cost of brief of successful party to be taxed, where amount involved is not over \$1,000 at not exceeding \$25; where amount involved is between \$1,000 and \$5,000 at not exceeding \$50; where amount involved is over \$5,000 at not exceeding \$75."

Sec. 2. Section 829 of the Revised Statutes, as amended (U.S.C., title 28, sec. 574; Supp. VII, title 28, sec. 574), is amended by striking out of such section the paragraph which reads as follows:

"When the debt or claim in admiralty is settled by the parties without a sale of the property the marshal shall be entitled to a commission of 1 percent on the first \$500 of the claim or decree, and one-half of 1 percent on the excess of any sum thereof over \$500: *Provided*, That when the value of the property is less than the claim such commission shall be allowed only on the appraised value thereof."

Sec. 3. Section 941 of the Revised Statutes, as amended (U.S.C., title 28, sec. 754), is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided*, That the parties may stipulate the amount of the bond or stipulation for the release of a vessel or other property on libel in admiralty to be not more than the amount claimed in the libel, with interest, plus an allowance for libellant's cost: *Provided further*, That in the event of the inability or refusal of the parties to so stipulate the amount of the bond, the court shall fix the amount thereof, but if not so fixed then a bond shall be required in the amount hereinbefore prescribed in this section."

With the following committee amendment:

Page 2, after line 17, insert: "and inserting in lieu thereof the following: 'In all cases in which the vessel or other property is sold by a public auctioneer or by some party other than the marshal or his deputy, the fee herein authorized to be paid to the marshal shall be reduced by the amount paid to said auctioneer or other party.'"

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

#### THELMA LUCY ROUNDS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3636) with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendments.

The Speaker announced the following conferees: Mr. BLACK, Mr. RAMSPECK, Mr. GUYER.

#### ACQUISITION BY UNITED STATES OF LAND OCCUPIED BY INDIAN SCHOOL AT WYANDOTTE, OKLA.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 555) to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located.

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

Mr. ELTSE of California. Reserving the right to object, will the gentleman explain this bill?

Mr. DISNEY. Mr. Speaker, this bill has the approval of the Indian Department and the Director of the Budget.

Mr. ELTSE of California. How much land is there involved?

Mr. DISNEY. One hundred and sixty acres.

Mr. ELTSE of California. Where is it located?

Mr. DISNEY. Near Miami, Okla.

Mr. ELTSE of California. Is it near any city or town?

Mr. DISNEY. Within 8 or 10 miles of a town of 7,000 population.

Mr. ELTSE of California. What does the land immediately surrounding it sell for per acre?

Mr. DISNEY. About \$60 an acre. This is an average price.

Mr. HASTINGS. This is the appraised value.

Mr. DISNEY. This is the appraised value. The Government has had the use of it for the last 50 years, without ever paying the Wyandotte Tribe for it.

Mr. ELTSE of California. The Government built a school building on it?

Mr. DISNEY. Yes, sir. They built a couple of hundred thousand dollars of improvements on it without ever paying the Indians.

Mr. ELTSE of California. Why are they giving it away? Why are they transferring it? What is the particular reason?

Mr. DISNEY. It is the last land which the Wyandotte Indians have and they want to close the thing out and close their tribal affairs.

Mr. ELTSE of California. Is there any attorney representing these Indians?

Mr. DISNEY. Oh, no.

Mr. ELTSE of California. No part of this money will go to attorneys?

Mr. DISNEY. Not a dime; not anything like that.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of the Interior be, and he is hereby, authorized to acquire for Indian school purposes, the east half southwest quarter, southeast quarter northwest quarter, east half northwest quarter and west half southwest quarter southeast quarter section 21, township 27 north, range 24 east, Indian meridian, Oklahoma.

SEC. 2. In order to carry out the provisions of section 1 hereof there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$10,000, which said sum when so appropriated and placed in the Treasury of the United States to the credit of the Wyandotte Tribe of Indians, shall operate as a full, complete, and perfect extinguishment of all their right, title, and interest in and to the lands above described and which sum shall be subject to disbursement under congressional authority for the benefit of the Wyandotte Tribe.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PRISON INDUSTRIES

Mr. TARVER. Mr. Speaker, by direction of the Chairman of the Committee on the Judiciary I ask unanimous consent to take from the Speaker's table the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, with Senate amendments, and concur in the Senate amendments.

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

Mr. GOSS. Reserving the right to object, is that the C.C.C. bill?

Mr. TARVER. Oh, no.

Mr. GOSS. What is this bill?

Mr. TARVER. This is the prison industries bill.

Mr. MARTIN of Massachusetts. Will the gentleman explain what the amendments are?

Mr. TARVER. The principal amendment adopted by the Senate provides that warrants issued by the Prison Industries Corporation shall be approved by the Comptroller General. That is, by the General Accounting Office. It was drawn by the General Accounting Office and submitted to the Senate committee.

Mr. GOSS. Is that the only amendment?

Mr. TARVER. That is the only amendment.

Mr. MAPES. Reserving the right to object, has anyone seen the amendment put on by the Senate?

Mr. TARVER. The amendment is, of course, in the engrossed copy returned by the Senate to the House. I do not have a copy of it. I can assure the gentleman, however, that its purpose is as I have stated.

Mr. TABER. Mr. Speaker, may the amendments be reported?

Mr. TARVER. Mr. Speaker, it appears that some of the gentlemen on the Republican side desire to examine the amendments a little further, and I therefore withdraw my request.

The SPEAKER. Without objection the gentleman from Georgia withdraws his request.

There was no objection.

#### THE NEW DEAL

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

The SPEAKER. Is there objection?

There was no objection.

Mr. DINGELL. Mr. Speaker, in the closing days of this session a great deal has been said on the accomplishments of this administration, about the magnificent achievements of the Congress working in closest cooperation with Franklin D. Roosevelt, the President of the United States.

The new deal has been mentioned as the basis for every major piece of relief legislation passed in the extraordinary as well as the regular session of the Seventy-third Congress. I would like briefly to enumerate some of the outstanding measures and refer to their particular value.

Might I say that the Roosevelt administration undertook to relieve the distress of the countless millions of our unfortunate people who suffered in the most tragic of all recorded depressions. The opposition is undertaking to undermine the confidence and the good feeling of our citizens, after having failed to block relief which was essential to our social and economic progress. One of the chief criticisms, of course, is trained upon the large volume of money expended in behalf of the rank and file, and against some of the measures which restrained the big and predatory interests which exploited the man who was ever in mind when the new deal was discussed.

This administration has expended billions to feed the hungry, to clothe the naked, and to aid the distressed in every walk of life. Homeless men and women and their happiness were the objectives of this great humanitarian program.

Congress has been lavish in its appropriations for constructive purposes as distinguished from the previous orgy of spending which was founded and intended for war and destruction. During the war it was necessary to spend money to destroy, to create misery and sorrow, pestilence and death. The depression of the Hoover administration caused a trail of broken hearts, suicides, ruined fortunes, greater even than that which we experienced following the declaration of war in 1917.

I am convinced that divine Providence alone indicated to the people of this Nation that Franklin D. Roosevelt, the great humanitarian, the President of the common man, was the man of the hour. The people responded wholeheartedly and gave him an overwhelming endorsement, and sent to the Halls of Congress a majority that overruled all opposition and all dilatory tactics. It was foreordained that a man of President Roosevelt's type must lead us out of the depression and it was because of the pureness of his heart and his thorough understanding of the needs of our people that he, without hesitation, laid before Congress a workable program which saved this Nation from continued chaos and from revolution. There is not a man within hearing of my voice who can state that the President and the Congress of the United States were motivated by anything except a desire to bring back the happiness and contentment of our people.

In this respect we have succeeded beyond our wildest dreams and today we face the future with renewed confidence. The billions spent during the war for destruction will never bring a return to humanity, but the billions spent for constructive purposes for the great masses of our American people will pay countless billions in dividends and in happiness and prosperity for all. In the final analysis, many of the projects are self-liquidating. Many of the undertakings will not only pay out every dollar expended or guaranteed by the Government but will, I am sure, show a profit.

I believe that the measures which were passed in the extraordinary session, such as the N.I.R.A., which relieved the unemployment situation to the extent of over 3,000,000 men; the C.W.A., which put to work over 4,000,000 men; the



C.C.C., which has taken from the streets wayward young men in need of employment; and the farm relief and bank reform measures, extension of credit and other far-reaching legislation, saved this Nation from disintegration and despair.

My limited time will not permit me, Mr. Speaker, to go very extensively into the accomplishments of this administration, but let me mention the farm loan act and the even greater home loan act, which in my State alone made more than \$110,000,000 in loans and saved thousands of home owners from being put out into the street. Let me say that these measures of relief cannot be gaged in dollars and cents, but rather in the happiness and in the saving of tears of the unfortunate wives and children of our citizens.

This administration has extended the scope of the Reconstruction Finance Corporation to aid corporations in distress; has extended loans to manufacturers, which have stimulated employment; has provided the Farm Mortgage Refinance Act, the Crop Loan Act; has extended the guaranty of bank deposits; provided the Municipal Bankruptcy Act for the relief of distressed cities; leveled its guns upon the wolves of Wall Street, who have gambled with the welfare of our people; passed the Communications Act, which will have a far-reaching effect upon the general welfare of our Nation.

This Government, under the direction of Franklin D. Roosevelt, was responsible for the solution of the liquor question and further amendments will be necessary to control the liquor situation; the gold-revaluation and the silver questions have been met by the administration with every promise of continued improvement in the health of our general economic scheme. The armed forces of this Nation have been strengthened, and thus the security of our people was further enhanced. The Railroad Retirement Act establishes a precedent never before conceived. The tariff situation, which all but destroyed the commerce of the world and which originated under the Grundy label, has been corrected in a sound manner. Thousands of banks have been reopened and are today secure in their operation. In my own city, Detroit, under the provisions of the Steagall bill, millions of hard-earned savings will be released to our citizens for use through normal commercial channels.

I observed on my recent trip to Detroit a change that is unbelievable. Where despondency and ruin stalked the homes of our people, where men and women and, worst of all, little children suffered worry and want, today there is happiness and contentment, a confidence in the future. Factories and mills, schools and even churches are once again enjoying prosperity which was intended should be theirs when the new deal was born.

The President is not yet satisfied that all that is needed has been done. A plan more comprehensive and far-reaching and more permanent is being worked out for submission to the next Congress. Every trace of the depression must be wiped out by the new deal, and prosperity and happiness set up in its place.

I shall remember with some pride the fact that I was a member of the Seventy-third Congress. However modest my role may have been, it was no small privilege to have contributed to the welfare of home owners, farmers, Government employees, ex-service men, bank depositors—to say nothing of the host of unemployed who have been put back to work through the progressive legislation of the new deal. For this privilege, I am grateful to the people of the Fifteenth District of Michigan who saw fit to choose me as their Representative in Congress.

I ask unanimous consent, Mr. Speaker, to attach to these remarks a detailed list of the important legislation which was passed in this Congress. [Applause.]

The A.A.A. Farm Relief and Inflation Act.  
The Farm Credit Act of 1933.  
The Farm Mortgage Refinancing Act.  
The Crop Loan Act.  
The crop-loan resolution.  
The Jones-Connally Farm Relief Act.  
The Bankhead Cotton Control Act.  
The Jones-Costigan Sugar Act.  
The cotton-cattle-dairy relief resolution.

The Farm Mortgage Foreclosure Act.  
Homesteaders' Relief Act.  
Air Mail—The Emergency Air Mail Act.  
The Air Mail Act of 1934.  
The Permanent Appropriations Act.  
The Emergency Banking Relief Act.  
The Banking Act of 1933.  
The State Bank Aid Act.  
The Collateral Security Act.  
The Municipal Bankruptcy Act.  
The Corporate Bankruptcy Act.  
The Communications Act of 1934.  
The six Federal crime-control acts.  
The Crime-Prevention Compact Act.  
The Arrest Facilitation Act.  
The National Stolen Property Act.  
The Twentieth Amendment Adjustment Act.  
The Economy Act of 1933.  
The Independent Offices Appropriation Act.  
The Wagner National Employment System Act.  
The Roads Employment Act.  
The Home Owners' Refinancing Act.  
The Home Owners' Loan Act of 1934.  
The National Housing Act.  
The Insurance Company Loan Act.  
The Kick-back Racket Act.  
The labor disputes joint resolution.  
The Beer-Wine Revenue Act.  
The Liquor Taxing Act of 1934.  
District of Columbia Alcoholic Beverage Control Act.  
The gold repeal joint resolution.  
The Gold Reserve Act of 1934.  
The Silver Purchase Act.  
The arms-sale resolution.  
The National Guard Act of 1933.  
The Vinson naval parity bill.  
The Marine Corps Personnel Act.  
The Navy Promotion Act.  
The Foreign Stations Act.  
The Equal Nationality Act.  
The Tydings-McDuffie Philippine Independence Act.  
The Tennessee Valley Authority Act.  
The electric-rate investigation resolution.  
The Philippine Currency Reserve Act.  
The Public Utilities Review Act.  
The Emergency Railroad Transportation Act of 1933.  
The Railroad Assessment Act.  
Railroad Retirement Act.  
The National Industrial Recovery Act.  
The Civil Works Emergency Relief Act.  
The Reconstruction Finance Corporation Extension Act.  
The R.F.C. exports resolution.  
The Wagner-Lewis \$500,000,000 Emergency Relief Act.  
The Civilian Conservation Corps Reforestation Relief Act.  
The Emergency Deficiency Act.  
The Securities Act of 1933.  
The Securities Exchange Act of 1934.  
The Reciprocal Tariff Act.  
The Gasoline Tax and Postage Rate Act.  
The Revenue Act of 1934.  
Rio Grande Treaty.  
Equal Rights Nationality Treaty.  
Cuban Treaty.  
Trade in Arms Treaty.  
Antiwar Treaty of Nonaggression.  
Convention of Rights and Duties of States.  
The Vocational Education Act of 1934.  
The Johnson Debt Default Act.  
The Wild Life Conservation Act.  
The Fish and Game Sanctuary Act.  
The National Housing Act.  
The Frazier-Lemke Farm-Mortgage Act.  
The Kerr Tobacco Control Act.  
The Free Trade Zone Act.  
The Dill-Crosser Railway Labor Act.

#### IMMIGRATION LEGISLATION

The SPEAKER. The Chair desires to state that after the passage of the resolution which the gentleman from Illinois [Mr. SABATH] will now call up, the Chair expects to recognize the gentleman from New York [Mr. DICKSTEIN] to consider en bloc several immigration bills.

#### INVESTIGATION OF ORGANIZATION AND ACTIVITIES OF REAL ESTATE REORGANIZATION COMMITTEES

Mr. SABATH. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 412.

The Clerk read as follows:

*Resolved*, That the Speaker of the House of Representatives be, and he is hereby, authorized and empowered to appoint a committee of seven Members of the House to investigate the methods of organization, the activities and practices of real estate "reorganization" or "bondholders" committees, or similar or other groups, by use of the mails or otherwise, to determine whether misrepresentation or unfairness have been practiced in acquiring or representing such securities, in assessing expenses against the

bondholders and disposing of, or managing the properties by such committees, trustees, receivers, or other persons against which the securities were issued as liens, and in the employment of attorneys or other persons, or in failing adequately to report to said security owners, and in what manner the rights and equities of bondholders and owners can be protected against undue and unjustified loss upon their investment. The committee shall report to the Congress as soon as practicable the results of its study together with its recommendations for necessary legislation.

Sec. 2. For the purpose of this resolution, the committee, or any subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places in the United States, whether or not the House is sitting, has recessed, or has adjourned, to require, by subpoena or otherwise, the attendance of such witnesses and the production of such books and documents, to administer such oaths, and take such testimony as it deems necessary and advisable.

Mr. SABATH. Does the gentleman from Michigan desire some time on this resolution?

Mr. MAPES. Yes. We would like the usual time on this side.

Mr. BLANTON. Will the gentleman from Illinois yield for a question?

Mr. SABATH. I will, with pleasure.

Mr. BLANTON. This is another one of those resolutions which permits a committee to incur a lot of expense, to employ help, and when they employ help it costs money. These committees have been employing lawyers at \$500 a month and secretaries at \$300 a month.

Mr. SABATH. There is nothing like that in this resolution.

Mr. BLANTON. How much is going to be spent on this resolution?

Mr. SABATH. I really do not know. It would not be a very large sum.

Mr. BLANTON. Can the gentleman give us some idea of the maximum amount?

Mr. SABATH. I will say there is a country-wide demand on the part of millions of bondholders for this investigation.

Mr. MAPES. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MAPES. Mr. Speaker, I doubt the correctness of this procedure. The gentleman from Illinois has not taken the floor on this debate yet; and if a Member under the guise of a question can discuss the whole bill, then the purpose of debate is nullified.

The SPEAKER. The gentleman from Illinois has the floor.

Mr. BLANTON. The gentleman from Illinois has the floor, and I was trying to get some information.

Mr. MAPES. Mr. Speaker, the time had not been divided when the gentleman from Texas asked his question.

Mr. BLANTON. The time of the gentleman from Illinois is running now. He is answering me in his own time.

Mr. MAPES. If that is the understanding I will not pursue my objection further.

The SPEAKER. The Chair understands the time of the gentleman from Illinois is running.

Mr. BLANTON. I want to go along with my friend from Illinois, if possible.

Mr. SABATH. I know the gentleman does, because this is a meritorious resolution.

Mr. BLANTON. But I want to know definitely whether it is going to cost any great big sum of money.

Mr. SABATH. No; not at all.

Mr. BLANTON. Can the gentleman give me some idea of how much the gentleman intends to ask for?

Mr. SABATH. I cannot.

Mr. BLANTON. Can the gentleman from New York [Mr. O'CONNOR], who knows something about it, tell us what he thinks this will cost?

Mr. O'CONNOR. Of course, any money the committee gets now will have to last until Congress meets again.

Mr. BLANTON. How much is it intended to ask for under this resolution?

Mr. O'CONNOR. I will be frank with the gentleman; I think at least \$25,000.

Mr. BLANTON. That sum is out of all reason.

Mr. SABATH. It will not cost that much.

Mr. O'CONNOR. The difficulty with these things, as the gentleman well knows, is that these committees do not ask

for enough money in the first instance, or make statements that they do not need as much as they ultimately find necessary.

Mr. BLANTON. Mr. Speaker, I want to remind the gentleman from Illinois and the gentleman from New York about the investigation of the Graham, of Illinois, committee which cost the huge sum of \$157,109.91.

Mr. O'CONNOR. Under a Republican administration.

Mr. BLANTON. Yes; that was under the Republican administration. And I want to remind these gentlemen of the investigation of the Joe Walsh committee, which went out to the California coast in a train of Pullman cars and lived in them for months. That investigation cost the people about \$50,000.

Mr. O'CONNOR. Under a Republican administration.

Mr. BLANTON. Yes; that was under a Republican administration. And I would remind the gentleman of the coal investigation which cost the American taxpayers \$600,000 in cold cash. That also was under a Republican administration.

Mr. O'CONNOR. Under a Republican administration. Do not forget the Hoover investigation which cost \$500,000.

Mr. BLANTON. Yes; that Hoover Wickersham Committee was another one that cost the American taxpayers another \$500,000 in cold cash. And not one thing of value was accomplished by any of the said investigations.

Mr. SABATH. Mr. Speaker, I cannot yield further; I am sorry; I want to reserve the balance of my time.

Mr. BLANTON. Mr. Speaker, I doubt the wisdom of passing another resolution of this kind.

Mr. SABATH. Mr. Speaker, may I remind the gentleman from Texas that every resolution I have advocated has been productive of good, and none of them cost a great deal of money. In this instance we have petitions signed by 500,000 bondholders; and the demand from all over the United States for this investigation is universal.

It is aimed to investigate any and all abuses, if any, to protect the interest of the bondholders, many of whom feel that their interests have not been properly protected or safeguarded, and others who feel that they have been made to part with their bonds due to false representations; others feel that the revenues of the property for which they hold bonds have been dissipated.

As I have stated, over 500,000 bondholders have signed petitions asking for this investigation. At this time I do not wish to make any charges of wrongdoing or abuses, but hundreds, yes, thousands of letter complaints which I have received within the last 3 months would indicate that people have lost confidence in many of these bondholder or reorganization committees. They have charged that many have been organized by receivers of national banks, in many instances by receivers of State banks, and that there has been collusion of officers of banks with the receivers. In some instances charges are made that there is collusion between auditors and bank examiners. In New York City the charges are that certain bond and guaranty and title companies are looking only to their own interests, disregarding the interests of the bondholders.

Mr. BLANTON. Mr. Speaker, I am not going to gum up the cards; I am going along with the gentleman on anything that is reasonable and proper, where there is any chance for good to come out of it; but we must keep the expense down.

Mr. Speaker, as I desire to discuss several questions connected with my service, I ask unanimous consent to extend my remarks in the RECORD and to incorporate some exhibits.

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

There was no objection.

Mr. BLANTON. Mr. Speaker, merely because I have opposed selfish interests in Washington, and have prevented avaricious monopolies from pilfering large sums of public money from the people's Treasury, and have refused to obey orders from autocratic czars of the press, like William Randolph Hearst, Theodore Noyes, Eugene Meyers, the Associated Press, the United Press, and the International News Service, there has been a deliberate, concerted effort on their

part to try to break me down, to discredit my work in Congress, and to get me out of the House of Representatives. Thus far, they have failed.

Thus far, I have whipped them to a frazzle. Thus far, the people have stood by me. Thus far, I am still "carrying on." And if the people will continue to stand behind me, I make them my solemn pledge that eventually during Democratic administration, with the help of colleagues with whom I am working, we will clean up completely the waste, extravagance, and graft with which some of our Government institutions for so long have been infested.

"THE SAGE OF BITTER CREEK"

Sweetwater friends advise me that Judge Carl O. Hamlin, of Breckenridge, came to Sweetwater on Saturday, May 26, 1934, and conferred at length with Millard Cope, and the next morning, Sunday, May 27, 1934, there appeared in Cope's Sweetwater Reporter nearly a half-page attack, made anonymously, but alleged to be from "The Sage of Bitter Creek", which is almost as ridiculous as the former one Cope printed for Raymond Brooks, of Austin. It began, "The Sage of Bitter Creek came into town", and so forth. When sending me this paper, Sweetwater friends asserted that without doubt, this anonymous Bitter Creek Sage is no other than Carl O. Hamlin, who furnished the dope, in attacking me from ambush with identity concealed, and that the attack was written by Millard Cope, who acknowledged that he was its author.

Without a platform, and offering no constructive program, this "Sage of Bitter Creek" had Millard Cope offer for qualifications the bragging assertion that he "The Sage" was district judge for Stephens County, is a Baptist, a thirty-second-degree Mason, a Shriner, and a member of the American Legion. Are Hamlin and Cope trying to mix up the church, fraternalism, and the Legion in politics? The constitution of the American Legion specifically states that it shall not enter politics.

I detest religious intolerance. Every Catholic in Congress is my friend. But I cannot understand why Carl Hamlin advertises that he is a Baptist, when he deliberately picked a Catholic school to study law.

CHURCH AND STATE MUST NOT BE MIXED

I am not going to bring my church affiliation into politics. It takes more than fraternal membership to qualify one for Congress. For many years I have been a Knight Templar Mason, a thirty-second degree Scottish Rite Mason, a Shriner, a Knight of Pythias, have filled all chairs in the Odd Fellows Lodge, and a member of the Canton, and a Woodman of the World, and am now in good standing in all of the above lodges, but I am not running for reelection because I belong to lodges. They are not political organizations. They keep out of politics.

And I am not going to drag them into politics. When I was district judge of Stephens County, I was also judge for the counties of Eastland, Callahan, Shackelford, and Taylor, and held all their courts, and received only \$3,000 per year, while Carl Hamlin received the raised salary of \$5,000 per year, for holding court in only one county, besides the \$150 per month he got from the Government which I caused to be taken from him.

If this "Sage from Bitter Creek" is such a good church member and such a loyal lodge member, why does he attack me from ambush, with his identity concealed? Why are he and Millard Cope taking advantage of me when I am at my post of duty 2,000 miles away, attending to the business of the people?

But of all the dastardly grasping at straws I ever heard of in politics before, the following is the most censurable. Prompted to do so by the "Sage of Bitter Creek", Millard Cope in said anonymous attack on me from ambush, with identity concealed, brought the name of my good wife into his dirty campaign by printing the following: "Mrs. Blanton at Capital." Where did he expect Mrs. Blanton to be, when since the first of last January I have been working here on the grind 16 hours per day, attending to the business of my constituents, and loyally backing our President in his recovery program. Naturally, Mrs. Blanton would be here with

her husband. Then under the above headline, wholly irrelevant to his anonymous attack upon me from ambush, the "Sage of Bitter Creek" caused Cope to print:

Mrs. Blanton has been active in the Congressional Club activities at Washington and is chairman of the evening card party committee.

Such an irrelevant reference alone ought to keep fair-minded people from voting for Hamlin, and ought to cause Houston Harte to discharge Millard Cope, and ought to cause good citizens of Sweetwater to withdraw their support from the Reporter as long as Cope is connected with it.

A rich woman in Washington gave a building to the wives of Senators and Congressmen as a place for them to get together and become acquainted. All during the war they worked there together, making hospital supplies. Twice a month during this session these ladies have provided an entertainment, and they elected Mrs. Blanton to handle and arrange it for them.

Either Carl O. Hamlin or Millard Cope would have considered this a great honor for his wife. Everyone who knows Mrs. Blanton knows well that she is not a society woman, and she has the warm affection of every woman in Washington connected with the Congressional Club. This reference to her was deliberately made in an attempt to injure me.

FROM EASTLAND TELEGRAM

I quote the following from the Eastland Telegram, in its issue of June 11, 1934:

HAMLIN ATTACKS BLANTON IN SPEECH AT SWEETWATER

Opponents of Congressman THOMAS L. BLANTON have unlimbered their guns and are delivering broadsides at him.

Last Friday, Carl Hamlin, of Breckenridge, delivered a speech at Sweetwater in which he attacked BLANTON. Some weeks ago O. F. Chastain, of Eastland, formally opened his campaign against BLANTON in a speech at Stephenville.

Both Hamlin and Chastain have been actively campaigning for the past 6 months.

Note that it says my opponents "have been actively campaigning for the past 6 months." And while they have been actively campaigning for 6 months, I have been on the job at my post of duty. And the following will show how my time has been spent.

Affidavits of Government employees, one who has worked in the same position for 53 years, and the other who has worked in the same position for 25 years, certified to by Hon. Harry Pillen, Assistant Sergeant at Arms:

WASHINGTON,

District of Columbia:

Before me, the undersigned notary public, on this day personally appeared Samuel Robinson, who has worked for the Government for the past 53 years, and Preston L. George, who has worked for the Government for the past 25 years, both known to me to be credible citizens of Washington, D.C., who by me being duly sworn upon their respective oaths, state:

We perform night service and handle the speeches of Congressmen and Senators that go into the CONGRESSIONAL RECORD. And during the time of our respective employments stated above we have known all Senators and Congressmen. It is our opinion that Congressman THOMAS L. BLANTON is one of the hardest working Members who has ever served here in Washington; he has worked in his office many times until 1 and 2 o'clock a.m., and he regularly works until past midnight. In our opinion his secretary, Mrs. Louise Kennedy Marx, who came with him to Washington when he was first elected to Congress, is one of the most capable and efficient secretaries in Washington.

SAMUEL ROBINSON.

PRESTON L. GEORGE.

Sworn to and subscribed by the said Samuel Robinson and Preston L. George, before me, the undersigned notary public, on this the 8th day of June, A.D. 1934.

Given under my hand and seal of office in Washington, D.C.

[SEAL]

HARRY PILLEN,

Notary Public in and for the District of Columbia.

IS A FINE, NEW POST-OFFICE BUILDING A DEUCE?

The press states that Carl Hamlin was introduced at Sweetwater by a lawyer named Zollie C. Steakley, Jr., who said "All BLANTON had dealt Sweetwater was deuces." If Zollie, who is a fine young fellow and from a good family, does not know any more about law than he does about deuces, he ought to apply for Government relief. The fine, new post-office building is one of the deuces I dealt to Sweetwater. It was the first building given my district. I

had promised the first building to my loyal friends there. I made good my promise. All the Government money that has been spent in Sweetwater and Nolan County for hog reduction, for cotton reduction, for wheat reduction, for relief, for the improvements that mean much to Sweetwater people are all deuces I have dealt to Nolan County. And some of the best friends I have in the world live in Nolan County. In reporting Hamlin's speech neither Cope's paper nor any other mentioned any constructive platform planks, but in flaming headlines said:

"HAMLIN FLAYS THOMAS BLANTON"

Why, of course! That was dead easy for Hamlin. I was 2,000 miles away at my post of duty here in Washington "carrying on", eternally on the job, looking after the interests of my constituents. Because, to correct his misrepresentations he has been making about me for 6 months, I printed at my own expense and sent some excerpts of the RECORD to my district to give the people a glimpse of the work I was doing here, this "The Sage of Bitter Creek" stated that it had cost the taxpayers \$12,200 in postage and printing. He knew that was not true when he said it. It was just like the time he said he had never heard of a Lila Keith affidavit, when I proved conclusively that long before he made that statement he had been notified by the Veterans' Bureau that such an affidavit, filed the identical moment that his affidavits from his doctors were filed, had been removed from his file. It would have been more to the point if Carl Hamlin had told the people what became of that affidavit in which Lila Keith swore that the veteran had boils on his head and was nervous and suffered with heart and lung trouble, when Hamlin now admits that he has never suffered with any of these afflictions. But what has become of that Lila Keith affidavit? It was like Carl Hamlin's flimsy explanation to Mr. Simmons that he had to pay high insurance rates, when he has a \$10,000 Government policy at cheaper rates than any civilian in the United States pays for like insurance.

The following will show that mailing these excerpts to my constituents did not cost the Government one dollar:

POST OFFICE DEPARTMENT,  
FIRST ASSISTANT POSTMASTER GENERAL,  
Washington, June 15, 1934.

HON. THOMAS L. BLANTON,  
House of Representatives.

MY DEAR MR. BLANTON: Receipt is acknowledged of your letter of June 12, 1934, asking the following questions:

"(1) Is it not a fact that the regular postal employees who receive, handle, and distribute mail in post offices, and the regular railway mail employees on trains, and the city letter carriers, and the rural mail carriers, are paid annual salaries by the year?"

"(2) Is it not a fact that should I send to my district under frank copies of the CONGRESSIONAL RECORD, or reprints or excerpts thereof, or Government bulletins, to be distributed through the post offices of my district, that nothing additional is paid by the Government to the above-mentioned employees for handling these documents under frank, and that all they receive is their annual salaries?"

The answer to both is "Yes."

Trusting this is the information you desire, I am,  
Very truly yours,

V. C. BURKE,  
Acting First Assistant.

CONGRESSMAN BLANTON PAYS \$17,316.60 OUT OF HIS OWN POCKET

During my service here, in order to let the American people know something about their own business, and in trying to stop waste, extravagance, and graft in Government institution, the following certificate will show that out of my own pocket, and with my own money, I have paid out \$17,316.60 for printing alone. Some of it was in my fight to save Muscle Shoals, when Maj. F. H. LaGuardia, now mayor of New York, Col. John Phillip Hill, of Baltimore, and myself fought together to keep Henry Ford from gobbling up Muscle Shoals:

UNITED STATES GOVERNMENT PRINTING OFFICE,  
Washington, D.C., June 15, 1934.

HON. THOMAS L. BLANTON,  
House of Representatives of the United States,  
Washington, D.C.

MY DEAR MR. BLANTON: Receipt is acknowledged of your letter of June 12, 1934, enclosing check for \$201.61, and requesting the full amount paid by you to the Government Printing Office during the time you have been in Congress.

The following statement is submitted, giving the information requested:

To December 10, 1927.....	\$11,469.73
December 10, 1927, to date.....	5,846.87
Total .....	17,316.60

The communication you enclosed is returned herewith.  
Respectfully,

GEORGE H. CARTER, *Public Printer.*

I paid out the above \$17,316.60 for printing alone. On my many investigations I have conducted during the past 17 years I have spent thousands of dollars additional, namely: On Col. Charles R. Forbes and Secretary Fall, who were sent to the penitentiary; on Insurance Commissioner Miller, who was removed; on McNorris, and Colonel Fenning, Maj. William Wolf Smith, and many others, and it was all my own money coming out of my own pocket.

I greatly appreciate the tribute Mayor LaGuardia paid me, when Texans recently visited New York:

IN PRAISE OF TEXANS

Frederick William Wile in the Washington Star

When Mayor LaGuardia, of New York, the other day received the delegation of 125 Texas boosters now touring the East he went out of his way to pay a handsome tribute to his old colleague in the House, Representative THOMAS L. BLANTON. "A lot of people may not like BLANTON", said His Honor of Manhattan, "and he may irritate sometimes, but there is no more useful Member of Congress."

The mayor, continuing the distribution of bouquets, added: "And there is no State in the Union that has a better, more informed, hard-working, or intelligent delegation in Washington than Texas." The mayor also recalled glowingly his long comradeship in the House with Vice President John Garner.

EVERY REFERENCE A MISSTATEMENT

"The Sage of Bitter Creek" said that when I was elected to Congress I said, "12 years was long enough." I still have my campaign literature in my scrapbook. What I did say was that the incumbent had been in Congress 12 years, had not accomplished anything, and that the best assignment he had been able to get was the Committee on Irrigation of Arid Lands; and as Texas had no Government lands, he could not be of any value to the district, as it would take him too many additional years to obtain an influential place on one of the big committees.

And what I said then, I say now. I served my apprenticeship on the Committee on Irrigation of Arid Lands, the Committee on Enrolled Bills, the Committee on Expenditures in an Executive Department, the Indian Committee, the Committee on Education, the Committee on Claims, and the Committee on the District of Columbia until I worked my way up and gained a place on the Appropriations Committee, where I can watch every dollar that comes out of the Federal Treasury, and stop waste and extravagance.

During my initial campaign, my colleague [MARVIN JONES] was making his first campaign in an adjoining district. His position on terms was identical with my own. He contended that his opponent had done nothing to justify retaining him, that during the long years he had been in Congress his best committee assignment was on the Indian Affairs Committee, and that the only Indian in his district was the wooden Indian in front of a cigar store in Amarillo.

Hon. HENRY RAINEY is now Speaker of the House because Illinois wisely kept him here 30 years. John Garner is now Vice President of the United States because Uvalde wisely kept him here 30 years. JOE BYRNS is now Democratic majority leader of the House because Tennessee has wisely kept him here for 26 years. BOB DOUGHTON is now Chairman of the Committee on Ways and Means because North Carolina has wisely kept him here for 24 years. BILL BANKHEAD is now Chairman of the Rules Committee because Alabama has wisely kept him here for 18 years. CARL VINSON is now Chairman of the Naval Affairs Committee because Georgia has wisely kept him here for 22 years. JOHN McSWAIN is now Chairman of the Military Affairs Committee because South Carolina has wisely kept him here for 14 years. And so HATTON SUMNERS is Chairman of the Judiciary Committee, SAM RAYBURN of the Interstate and Foreign Commerce Committee, JOE MANSFIELD of the Rivers and Harbors Committee, FRITZ LANHAM of the Public Buildings Committee, MARVIN JONES of the Agriculture Committee, and BUCHANAN

and I are on the Appropriations Committee because Texas has seen fit to keep us here. And this seniority means much to Texas. It means much to our respective districts. Seniority is almost everything in Congress. Members have to begin at the foot of the class, and work their way up. We have already worked our way up.

#### MUST NOT PRACTICE LAW IN VACATION

Carl Hamlin says that Congressmen must not practice law in vacation, and that I left my work to try the case of R. C. Winters, and received a fee of \$6,148.73 in it. This is untrue. There are 21 farmers in Congress. Does Hamlin contend they cannot farm on their farms during the 6-months' vacation? There are 18 editors of newspapers in Congress. Does Hamlin contend they cannot edit their papers during the 6-months' vacation? There are doctors, and dentists, and painters, and bankers, and brokers, and ministers, and teachers, and salesmen, and realtors, and engineers, and merchants, and contractors, and printers, and magazine publishers, and nurses in Congress. When it adjourns, they all go back to their respective businesses and avocations, and resume where they left off. Why does not Hamlin say he will stop all of them? What would he have them do in vacation? He has not said what he would do in vacation. So, there are 272 lawyers in Congress. When it adjourns, they go back to their offices.

During my first 12 years in Congress, I spent all my vacations in checking up every Department, Bureau, Commission, independent office, and institution of Government. I learned every detail about Government business. I did not take a single law case. I put in every moment of my time. I mastered the rules and precedents of Congress. I did not go on a single junket. I have never taken a single junket. Everywhere I have been in checking Government business, I have paid my own expenses. I have paid for my own investigations. In the investigation I made of Col. Frederick A. Fenning, I paid out several thousand dollars of my own money out of my own pocket. I employed the men who helped me. I employed my own detectives. And so, likewise, with all of the other many investigations I have made, I paid the expense myself.

#### FORMED LAW CONNECTION AFTER SENATE RACE

After my race for the United States Senate in 1928, I formed a law partnership with my sons. My oldest son is married, and has practiced law for 9 years. My next son is also married and has practiced law for 7 years. When I returned to Congress, having a thorough understanding we would accept no Government business, I allowed my boys to retain my name in their firm, just to help them, as any other father would do to help his sons. And while in Congress I have tried about a dozen cases, but have never neglected any official duties. I have never accepted any fee, or any business, connected in any way with the Government, and out of respect for my feelings, neither of my sons has ever accepted any business connected with the Government.

Because all veterans' cases, home owners' loans, farm loans, and relief matters are handled by bureaus in Texas at Dallas, Houston, Austin, and San Antonio, I am forced, at my own expense, to equip and maintain a Texas office at Abilene in order to give my constituents prompt action, and the few law fees I have made in vacation have not paid my office rent, much less other expenses. During my last so-called "vacation", from June 16, 1933, until December 31, 1933, my office was filled daily with constituents, and I did not have time to go to even one picture show.

In the Winters case I did not receive one-twelfth of the amount Hamlin stated I received. Hon. R. C. Winters is my close personal friend. He was formerly State commander of the American Legion for the State of Texas. In his own sworn statement I will let him tell about my connection with his case, which was against corporations for killing his wife:

#### AFFIDAVIT OF R. C. WINTERS

Prior to the time my case was set for trial, Mr. BLANTON had completed all of his hearings on all of the big appropriation bills, and there had been tentative agreements insuring passage of all matters that were coming up for 2 weeks, and Speaker RAINEY

wrote a letter to Mr. BLANTON suggesting that he take 2 weeks' rest from the hard work he had performed since Congress met in December, and Mr. BLANTON had my case set so that he could try it during his short vacation.

I am a lawyer myself, but I employed Robert W. Haynie, Thomas L. Blanton, Jr., of Albany, Tex., Matthews Blanton, and Congressman Mlanton to represent me and my son, and agreed to pay them a joint fee of one-third, which went to all four of them and which was the usual and customary fee. They made a thorough investigation of my case, Congressman BLANTON, in vacation, going to San Angelo in checking up my evidence and the evidence against me, and they filed the suit in the district court. The defendants had it moved to the Federal Court of the United States.

After my suit was filed, another lawyer came to my home and urged me to discharge my lawyers and let him handle my case, telling me that when the trial came up Congressman BLANTON would stay in Washington and not show up. I told him I had confidence in my attorneys.

Congressman BLANTON did not receive one penny from the Government in mileage, but paid his own expense to and from Abilene. When my lawyers were employed my wife's mother joined me in signing the contract. Congressman BLANTON conducted the entire case and had against him, opposing me, the firms of Thompson, Knight, Baker & Harris and Eckford & McMahon, of Dallas, the Abilene firms of Stinson, Brooks, Duke & Hair, and Wagstaff, Harwell, Wagstaff & Douhit, and Davidson, Doss & McMahon, and the Sweetwater firm of Douthit, Mays & Perkins, all against me. My lawyers recovered for me a satisfactory judgment; and, in rendering same, Federal Judge Wilson heard evidence and approved said fee, finding that it was reasonable and just. The case was not appealed, and I am getting my money today for me and my son. Without additional charge, my lawyers qualified me as guardian of my son in the county court. Their services are entirely satisfactory to me, hence you have no occasion to interject yourself in my business. As it may keep you in the future from circulating false reports about Congressman BLANTON respecting my case, I am making oath to the above facts.

Very truly yours,

R. C. WINTERS.

Sworn to and subscribed by said R. C. Winters before me, the undersigned authority, on this August 1, A. D. 1933, at Abilene, Tex.

[SEAL]

RUBY SAYLORS,

Notary Public in and for Taylor County, Tex.

#### MY ONLY VACATION

At the time I tried the Winters case, the last of April 1933, it was the only vacation and rest from official duties I had had for many months. I did not leave Washington until we had caught up with practically all of our work, and on the few votes occurring while I was away I was paired with a Republican, so my vote counted, and the following from the Speaker shows that I deserved this short rest:

THE SPEAKER'S ROOMS,  
HOUSE OF REPRESENTATIVES, UNITED STATES,  
Washington, D.C., April 15, 1933.

HON. THOMAS L. BLANTON,  
House of Representatives.

DEAR TOM: Congress has been running at a very high rate of speed. I am warned by the House physician that a number of Members are overtaxing themselves.

I have been watching you and your work. You are overworking. You are rendering a splendid service. I know of no one who works harder than you. For the next few weeks there will not be so many important measures coming up, so I suggest that toward the end of the month you take a rest. I sincerely hope that you will accept this suggestion in the spirit in which it is intended.

Very truly yours,

HENRY T. RAINEY.

Just as John Garner used to call me to the chair, so does Speaker RAINEY, and I presided over this House today, called to the chair by Speaker RAINEY, which shows that I enjoy his friendship and confidence.

The following shows that in this session of Congress I have not missed a single roll call, but have been present and have answered all 194 roll calls:

HOUSE OF REPRESENTATIVES,  
Washington, D.C., June 15, 1934.

I, South Trimble, Clerk of the House of Representatives, United States, do hereby certify that there have been so far 194 roll calls in the House of Representatives since it convened last January, and that the records show that Congressman THOMAS L. BLANTON, of Texas, was present and answered each and all of said 194 roll calls.

SOUTH TRIMBLE,  
Clerk House of Representatives.

#### MISREPRESENTATIONS IN 1932

Thousands of votes were taken away from me in the last campaign by my opponent, just before the primary, publish-

ing in whole-page advertisements in the Fort Worth Star Telegram, costing over \$500 per issue, misrepresentations about me. He led people to believe that Speaker Garner and I were unfriendly. This shall not happen again. I quote the following just to show how unfair and unjust such misrepresentations were:

THE SPEAKER'S ROOM,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., July 4, 1932.

MR. THOMAS L. BLANTON, JR.,  
Albany, Tex.

MY DEAR MR. BLANTON: This will acknowledge yours of July 2, and I thank you for your good wishes and kind thoughts.

I note what you say in regard to your father, my good friend, the Honorable THOMAS L. BLANTON, with whom it has been my privilege to serve in Congress for many years.

As you know, your father is one of the best friends I have and I consider him a very valuable Congressman. To take anything I have said in the past concerning him, under very distressing conditions, would be unjust to him at the present time in view of the service he is now rendering.

With kindest regards and many thanks for your gracious letter, I am,

Yours very truly,

JNO. N. GARNER.

And as soon as the primary election was over I received the following:

UVALDE, TEX., July 26, 1932.

HON. THOMAS L. BLANTON,  
Abilene, Tex.

DEAR MR. BLANTON: As soon as Mr. Garner read the morning paper and satisfied himself about the various congressional districts, he went out to the woods, but before doing so asked me to write and express his gratification that you have such a good lead. The report is incomplete, of course, but he figures that you are out of the woods, and no further uneasiness need be felt.

I hope that you can now have a good rest after the strenuous work of the past 8 months, and the anxiety of the campaign.

Love to Mrs. Blanton. I hope we can all have time next winter to call our souls our own.

Cordially your friend,

[Mrs.] E. R. GARNER.

SWEETWATER REPORTER'S FREE SUBSIDY

While Millard Cope and Carl Hamlin have misrepresented me by their erroneous statements that mailing excerpts of the RECORD has cost the Government \$12,200, when it cost the Government nothing, they have failed to tell about the subsidy this newspaper and Millard Cope get from the Government. During the past year, 1933, the Sweetwater Reporter mailed in the Sweetwater post office 6,734 pounds of newspapers absolutely free. It did not have to pay the Government one penny for same, as the big newspaper lobby pressed such a law through Congress. For its Weekly Reporter last year it sent through the Sweetwater post office 2,330 pounds of newspapers absolutely free, and for the 2,376 pounds it mailed outside counties it paid the Government only \$38.84 for the whole year of 1933. For the 2,396 pounds and 7,535 pounds of its Daily Reporter that it mailed to outside counties, Millard Cope's Reporter paid the Government last year only \$166.49 for the entire year. He does not mention this to his subscribers.

CLEBURNE HUSTON AND HIS STAMFORD AMERICAN

Stamford friends have sent me a copy of the Stamford American for June 8, 1934, carrying a double-column attack against me by Cleburne Huston. And he repeats "the sage of Bitter Creek's" misrepresentation about excerpts of the RECORD costing the Government. He does not tell his readers that he and his American enjoys a valuable subsidy from the Government. For the last year, 1933, he mailed in the Stamford post office 2,343 pounds of his American absolutely free, and he did not pay the Government one cent for handling and delivering it. On the 8,427 pounds he mailed to outside counties he paid the Government only \$129.81. And the Trinity Standard, which his daughter is taking charge of, last year mailed 1,077 pounds of newspapers absolutely free in Trinity County and paid only the small sum of \$19.92 on the 1,010 pounds it mailed to outside counties.

SENT ITS EDITORIAL TO ALL NEWSPAPERS

To show that Cleburne Huston wrote that editorial designedly to hurt me, he sent a copy of it to all the newspapers in my district, thinking they would publish it.

HEARST AND NOYES CONTROL ASSOCIATED PRESS

Directors of the Associated Press at their last meeting reelected Frank B. Noyes, of the Washington Star, president, and William Randolph Hearst, Jr., of the New York American, vice president. So if Congressmen do not obey Hearst and Noyes it is just too bad.

WHAT HIS STAMFORD PATRONS THINK

The following are some of the letters I have received from the patrons of the Stamford American:

LYLES & WILLIAMSON,  
Stamford, Tex., June 13, 1934.

HON. THOMAS L. BLANTON, M.C.,  
Washington, D.C.

DEAR MR. BLANTON: I have read the editorial in the Stamford American published Friday, June 8, 1934.

The editor has evidently confused his readers, by referring to the votes in counties in your previous election and to the use of the mails by all Congressmen at Government expense. I want you to know that I think this editorial is unfair, and I want you to know that I resent any unfair reference to you.

With best regards, I am,

Yours very truly,

W. P. LYLES.

STAMFORD, TEX., June 13, 1934.

HON. THOMAS L. BLANTON,  
Washington, D.C.

DEAR JUDGE BLANTON: I have noticed the editorial in the Stamford American regarding you.

After reading this it is hard to tell just what our friend Cleburne Huston intended to convey, as his editorial is very satirical, yet he winds up by leaving the impression that he is listed as one of your friendly editors. He also refers to the free use of the mails. It is my understanding that the local newspapers also have considerable free use of the mails, of which he said nothing. This editorial seems very unfair to me, as your records show that you have never failed to assist anyone from your district whenever possible, regardless of how they may have voted.

With best regards, I am,

Yours very truly,

F. W. PECKHAM.

BRYANT-LINK CO.,  
Stamford, Tex., June 13, 1934.

HON. THOMAS L. BLANTON, M.C.,  
Washington, D.C.

DEAR MR. BLANTON: Referring to the editorial in the Stamford American.

As you know, I have never been a Blanton man. I believe you are a friend and I would go to you as quick for an accommodation as any man I know and be confident that it would be granted. I know you have in the past, and for that reason as much as anything else I am going to support you in your present campaign.

I don't think such editorials are doing you any harm. In fact, as unreasonable ones as was in the Stamford American really do you more good than harm.

Yours very truly,

R. L. PENICK.

STAMFORD, TEX., June 13, 1934.

HON. THOS. L. BLANTON, M.C.,  
Washington, D.C.

DEAR JUDGE BLANTON: I have noticed the editorial in the Stamford American.

I regret to see our excellent weekly paper publish such a confusing and indefinite editorial. The editor evidently by his efforts at satire has confused his readers as to the position of his paper on your candidacy. By referring, however, to the votes in counties in your previous election, and by referring to use of the mails by all Congressmen, I think the editorial is unfair and I want you to know that I resent this unfair reference to you.

Yours very truly,

J. H. RUTHERFORD.

STAMFORD, TEX., June 13, 1934.

HON. THOMAS L. BLANTON,  
Member of Congress, Washington, D.C.

DEAR MR. BLANTON: I have read the editorial in the Stamford American of Friday, June 8, 1934.

I deeply regret the unfair attack and am greatly surprised that Mr. Huston takes this stand. I am a large contributor to the advertising columns of the Stamford American, and I have informed Mr. Huston I resent this unfair practice.

With kindest regards, I am,

Yours very truly,

LOUIS ROSENWASSER.

MY FRIENDS WHOM I LOVE

I quote the following from many letters I have received from friends in Congress:

FROM THE CHAIRMAN OF THE RULES COMMITTEE  
JASPER, ALA., August 17, 1932.

HON. THOMAS L. BLANTON,  
Abilene, Tex.

MY DEAR FRIEND: I have been extremely solicitous about the result of your primary and now that I have received definite information of your renomination I write this to express my warm congratulations to you upon your victory. I felt assured all the time that the people of your district would not displace you at this important period in our legislative affairs.

With cordial regards and best wishes, I am,  
Your friend,

W. B. BANKHEAD.

FROM CONGRESSMAN MOREHEAD, FORMER GOVERNOR OF NEBRASKA  
CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., June 14, 1934.

HON. THOMAS L. BLANTON,  
House of Representatives, Washington, D.C.

DEAR FRIEND BLANTON: Your kindness in exchanging some documents with me makes it mighty convenient, as I can now supply this particular kind, and at the same time, others you receive from me you can use to good advantage. It is like pioneer days, when your mother and my mother could borrow from their nearest neighbor a cup of coffee or a pound of butter.

By the press I notice you are a candidate for reelection. It is not possible for our constituents to know the worth and outstanding qualifications of the Member who represents their district. It requires courage, hard work, and ability to make a valuable Representative to the taxpayers. No other Member has been more faithful in being at his post of duty, or more zealously guarded the interests of the taxpayers than you have. I have seen many claims which are without merit defeated by your courage and familiarity with them. For the good of the taxpayers and for the sake of good government, I am exceedingly anxious to see you returned here. Your age and experience makes you a valuable man.

With best wishes, I am,  
Yours truly,

JOHN H. MOREHEAD, M.C.,  
Ex-Governor of Nebraska.

FROM CHAIRMAN MILITARY AFFAIRS COMMITTEE  
HOUSE OF REPRESENTATIVES,  
COMMITTEE ON MILITARY AFFAIRS,  
Washington, D.C., July 18, 1932.

HON. THOMAS L. BLANTON,  
Abilene, Tex.

MY DEAR JUDGE BLANTON: I am writing to express to you my profound appreciation of your splendid services to the country in connection with the long and laborious investigation of facts, leading up to the introduction of House Joint Resolution 355.

I believe it is the almost unanimous judgment of the country that you have rendered in this connection, as well as in many other respects, a most invaluable service for which the country can never repay you. Not enough of us have the diligence and the courage to dig beneath the surface and to follow a clue of crookedness to its lair.

On behalf of the American people I am thanking you for the courageous and heroic fight that you have always made for clean and honest government and against corruption and graft in every branch of Government.

With kindest personal regards, I am,  
Yours very truly,

J. J. McSWAIN.

FROM CONGRESSMAN WRIGHT PATMAN  
Washington, D.C., June 15, 1934.

HON. THOMAS L. BLANTON,  
House of Representatives, Washington, D.C.

DEAR TOM: I want to commend you for your good work in behalf of the veterans of the World War and their dependents, also for the splendid service that you rendered in connection with protecting the rights, benefits, and property of the mentally disabled and shell-shocked veterans, who were having their estates dissipated and wasted by their guardians.

At this session of Congress, it was necessary that Members take a stand in favor of deserving, meritorious cases and against those cases that had brought the veterans' cause into disrepute before the American people. Therefore, it was necessary that we scrape from the veterans' ship all barnacles that were calculated to sink it or in any way impair its efficiency. I did not consider it right for a retired emergency officer, who lost an arm in service or who was disabled permanently to the extent of 30 percent, to receive from his Government from \$106 to \$520 per month, when for the same disability, the same service, under the same conditions, the sergeant, corporal, or private would only receive \$30 a month. The fact that these officers were receiving that money and at the same time many of them collecting big salaries monthly from the Government in addition to receiving hospitalization free caused the veterans' cause generally to lose much good will with the people.

One of the greatest acts of your service was to expose this discrimination, which was carrying rank beyond the war, and cause an adjustment to be made which will in the end be of material

aid and assistance to the cause of all worthy veterans and their dependents.

These retired officers now draw the same compensation for the same injury that enlisted men under the same circumstances received, except about 1,500, most of whom are battle casualties, were allowed to remain upon the roll. Under the peculiar circumstances surrounding their cases, I do not object to this, although it is a very bad precedent, but expect to continue to work with you in preventing the extension of this precedent or the reinstatement on the rolls of retired emergency officers that were eliminated therefrom as such.

Yours sincerely,

WRIGHT PATMAN.

FROM CONGRESSMAN HOEPEL, OF CALIFORNIA  
CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., June 15, 1934.

HON. THOS. L. BLANTON,  
Member of Congress, Washington, D.C.

MY DEAR COLLEAGUE: As "an honest confession is good for the soul", and as we will soon be on our journey to our homes, I wish, as one of your Democratic colleagues, to give my impressions and observations regarding your public work.

Before I became a Member of the House, as a retired Army man and from a long-range view, I disapproved occasionally of your work in the Congress. Since I myself have been a Member and have had ample opportunity to observe your activities, I feel that, in justice to you, I must reverse my former opinion and acclaim you as one of the most outstanding, if not the most valuable Member in the House. If this observation was my own individual observation only, by no stretch of the imagination would I consider myself competent to judge but I can state positively that practically all of your Democratic colleagues feel as I do in reference to the high character of service which you are rendering your constituents as a Representative from the good State of Texas.

As the past commander of the Veterans of Foreign Wars, the United Spanish War Veterans, and the American Legion, and as a publisher of a veterans' periodical, I feel that you are one of the best friends that the worthy disabled veteran has in the Congress. It was indeed an inspiration to me to witness the very able and effective work which you did in piloting the bonus bill through the House, despite the opposition of many Republicans and some even on our own side. The splendid assistance which you gave me, plus the advice and counsel given on matters of interest to veterans which I was espousing, stamp you, in my opinion, as an asset to the veterans of our country. \* \* \*

I attended the sessions of the Seventy-second Congress and witnessed the able work which you were doing and also the very effective work which was being done by the Republican Representative, Mr. LaGuardia, who is now mayor of New York. Just as a personal touch, I may state that when I learned through the press that Mr. LaGuardia was defeated, I stated to my wife that I would rather have been defeated myself than have the Nation lose the services of such an outstanding exponent of the people's interest as Mr. LaGuardia, because, in instances of this kind, in a way partisanship should be overlooked. From this angle I can truthfully state that I would rather myself be defeated for reelection than to have your good State and the Nation lose the services of a man of your character, ability, prominence, aggressiveness, and sense of justice. These qualities, plus your long experience and the high respect and regard with which you are held by the leadership, evidence the fact that you are more valuable here in the Congress than you could be anywhere else, in public or private life. No one can visualize the indefatigable service you are rendering to your people and to the Nation more accurately than I, occupying as I do an office in the same corridor with your own in the House Office Building. My long hours of work pale into insignificance compared with yours. With best wishes and hoping that your constituents will express their appreciation of your outstanding service by sending you back to the next Congress by an overwhelming majority, I am

Your friend,

J. H. HOEPEL.

FROM CHAIRMAN OF NAVAL AFFAIRS COMMITTEE  
UNITED STATES HOUSE OF REPRESENTATIVES,  
COMMITTEE ON NAVAL AFFAIRS,  
Washington, D.C., June 15, 1934.

HON. THOMAS L. BLANTON,  
House of Representatives.

DEAR TOM: We have a custom here, and a very proper one, of eulogizing our colleagues. Usually we wait until they are gone to say nice things about them. But I am not going to do that in your case. I am going to say now what I think of you while you are still in the prime of life and vigorous.

I preceded you in Congress by 4 years. You first came here in the World War Congress, the Sixty-fifth. That was a veritable baptism for a new Member. Grave responsibilities faced you at the threshold. You met them courageously then as you have ever since. In your nearly 18 years continuous service, except for a brief interval, I have been, as doubtless others have been, a close observer of your activities in the House, and I say to you unqualifiedly that in my 11 terms, no man, in my judgment, has been a more useful legislator. I have marveled at your ability and readiness intelligently to discuss so many and diverse propositions;

and I have been amazed at your colossal energy of which you always seem to have a reserve. What's more is your rare courage. You never hesitate to attack what you regard as bad bills and to support those measures you regard as for the public welfare, without fear or favor. Friend and foe alike have come to appraise you as sincere, honest, and conscientious in your convictions and actions—and fair. And they respect you.

If I may apply a term to you, one I think fits your case, it is this: You are a legislative gladiator. You are unceasingly fighting for the right and against the wrong, according to your judgment.

Your activities have run a long and wide gamut, covering an infinite variety of questions, big and little. By experience and close application you have developed a knowledge of parliamentary law, a great asset, which you use skillfully. But if I were to single out any one thing above another in which you excel it is your crusading spirit against extravagance and for economy in the spending of the people's money. In this respect I might appropriately liken you unto Cerberus, all of whose attributes as a guardian of the Treasury you have, added to which is the saving grace of good humor. There is no telling how much money your efforts have saved the Public Treasury, but I dare say it runs into the millions.

You and I have not always agreed, just an honest difference of opinion, but we have remained friends. You have made some enemies. Who wouldn't, pursuing a courageous course? But, paraphrasing General Bragg's famous remark about Grover Cleveland I will say: "I love you for the enemies you have made."

Your legislative record would make a large book, if compiled, and it would be an honorable record of achievements. Perhaps it will be accorded full recognition and justice in the future. And it will make its impress upon the annals of Congress as it has upon my mind, as have the splendid qualities of the man whose it is—your good self, my friend, TOM BLANTON, of Texas.

Yours very sincerely,

CARL VINSON,  
Chairman Committee on Naval Affairs.

FROM OUR TEXAS MEMBER OF THE WAYS AND MEANS COMMITTEE  
CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., June 15, 1934.

Hon. THOMAS L. BLANTON,  
House of Representatives, Washington, D.C.

DEAR JUDGE: As you will recall, when Mr. Garner was elected Speaker of the House, I was elected by the Democrats of the House for place on the Ways and Means Committee, Mr. Garner having been a member of that committee at the time of his election as Speaker.

I proposed your name to the members of this committee, which selects all committees, for a place on the powerful Appropriations Committee, and just as Congress is on the eve of adjournment, I want you to know that I appreciate the good work which you have done on that committee. You have saved the taxpayers of this Nation many dollars and your untiring efforts on that committee and in the House have been a source of gratification to me.

With all good wishes, I am,  
Your friend,

MORGAN G. SANDERS.

EXCERPT FROM A LETTER WRITTEN BY CONGRESSMAN JOSEPH J. MANSFIELD, OF COLUMBUS, TEX., CHAIRMAN OF THE COMMITTEE ON RIVERS AND HARBORS, TO A CORRESPONDENT IN WASHINGTON

Judge BLANTON came to Congress with me in the Sixty-fifth Congress, and our first work, of course, was pertaining to the war. I have differed with him on many occasions, but have also been aligned with him on others, especially within the past 5 or 6 years.

I consider him at present one of the ablest and most useful Members of Congress, and in his position as a prominent member of the Committee on Appropriations, he has been able to render services to the taxpayers of the country that could hardly be equaled by anyone else.

Yours sincerely,

J. J. MANSFIELD.

SOME OF JUDGE CARL O. HAMLIN'S DECISIONS

About 3 years ago, my son tried a case before Judge Hamlin, without a jury, where a son was charged with defrauding his mother and other relatives out of their land. Judge Hamlin prevented my son from introducing most important testimony, evidencing such fraud, and forced him to appeal the case, and the appellate decision is Forty-eighth Southwestern Reporter (2d ed.) 724, decided April 22, 1932. From the opinion of the appellate court, holding that Judge Hamlin had erred, and reversing his decision, I quote the following:

[From opinion of court]

The plaintiff, Blanche V. Stokes, aged 79 years, is the mother of the defendant, Albert W. Stokes. She and the other plaintiffs (except one who resides in Gray County, Tex.) resided in California. None of them lived in Stephens County, where the land in question was situated, and where the defendant, Albert W. Stokes, and wife reside. The plaintiffs and the defendant, Albert

W. Stokes, were the co-owners of the land; his interest amounting to 21¼ percent thereof. The plaintiffs were known by said Stokes to be in straitened financial circumstances and desirous of selling the land. He represented himself as being in a like situation financially, and also anxious to sell for the best price obtainable. The land was surrounded by ranch lands owned by the defendant Ball, who had leased it for pasturage purposes for 25 or 30 years, and who had a preference right to buy it when it was placed on the market.

It is clear from the testimony that said Stokes designed to purchase or become the owner of the property, and he and the defendant Ball conceived the plan or scheme to effect that end and to do so without disclosing such purpose to the plaintiffs, the other co-owners of the land. At least said Ball, without apparent compensation or hope of reward, lent himself to the plan to enable said Stokes to acquire the property for \$4,500. The scheme originated after said Ball had indicated he would like to buy the land under his option.

Ball agreed that he "would not run the price up", and that he "would not try to get ahead of him." Such conduct on the part of Ball was evidently in keeping with his understanding with Stokes, arrived at in said conversation. The understanding went further, in that by it said Ball was to act as the agent of said Stokes, pretend to be the actual purchaser of the property, and to offer the plaintiffs and the defendant, Albert W. Stokes, as a top price for said land the sum of \$4,500, and thereafter deed the property, if acquired, to Stokes, who agreed to furnish the total consideration for the purchase of same. Ball further testified: "He (Stokes) was buying the land in my name, yes; all that I had to do was just to make the offer. \* \* \* I went through Albany and made the bid. \* \* \* He said he would furnish the money and it would not cost me 1 cent."

While the deed was thus being prepared, the said Stokes and Ball engaged in conversation which was sought to be introduced on the trial of this cause. It was excluded, and that ruling of the court is the basis of the assignment now under consideration; and which controls the disposition of the appeal. That conversation originated with the statement by Ball to Stokes that he (Stokes) was a trading man, and that he (Ball) would give him a nice profit for the land and leave the deed in his name. Whereupon it is testified that said Stokes inquired what Ball considered a nice profit, and that the latter stated he would double his money. The conversation then proceeding embraces the excluded testimony, and is, as stated in the bill, as follows:

The said Ball proposed to said Albert W. Stokes that if he would let him, the said Ball, keep the land, he would pay him \$9,000 for the same; that said Stokes said in reply that \$9,000 was not enough; that said Ball then proposed that he would pay him \$9,500 and that said Stokes said that that sum was not enough; that said Ball then proposed he would pay him \$10,000, which was \$5,500 more than Ball had paid for said land for said Stokes from the Stokes estate, and that the said Albert W. Stokes replied that he wouldn't sell it, as it was worth more money than that.

The appellant was offering this testimony to prove, or as tending to prove, the fraudulent transaction itself. The court excluded the same, and there is before us the single question, namely: Did the court err in so ruling?

(1) Did the excluded testimony have a material bearing upon the issue of fraud involved in the alleged misrepresentation by Stokes of the value of the land; such misrepresentation being accompanied by an artifice employed for the purpose of throwing the plaintiffs and their agents off guard and possibly causing them not to rely solely on independent judgment and investigation in such matter? We believe the question should be answered in the affirmative, and are of opinion that the court erred in excluding the same.

MOTHER AND CHILD'S MONEY WITHHELD

I have just received the following affidavit from Boston:

STATE OF MASSACHUSETTS,

County of Middlesex, ss:

Before me, the undersigned authority, on this day personally appeared Mrs. Esther Medill, known to me to be a credible person, who being by me duly sworn, upon her oath, states:

My name is Mrs. Esther Medill and I am now residing at 3 Liberty Street, Marlboro, Mass. On December 19, 1932, while I was living in Breckenridge, Tex., my little 14-year-old daughter, Clare Medill, while returning from school was struck down by an automobile driven by a banker, and was seriously and permanently injured, suffering a fractured skull, dislocated back, injuries to her eyes, chest, and lungs, from which she will never recover.

In a suit for damages I filed in the 90th district court, presided over by Judge Carl O. Hamlin, the defendant in the trial, after the evidence had been introduced, compromised and settled the case before it reached the jury, and paid into said district court the sum of \$1,750 in cash as the award to my said minor daughter, and said money was paid over to Judge Hamlin's clerk, Miss Mabel Wood, on October 2, 1933, with the understanding that it was to be paid to me as the guardian of my minor child just as soon as I qualified as guardian after reaching Massachusetts.

Doctors advised that I must take my daughter to a cold climate immediately, and I asked my local attorney, Mr. L. H. Welch, of Breckenridge, to arrange for me to be made temporary guardian so that I could leave at once and have said funds out of which to pay the necessary expenses. I was assured by my attorney, Mr. Welch, by Judge Carl O. Hamlin, and by Judge Bryan Atchison, of the probate court, that I could be made guardian in Massa-



chusetts just as soon as I got there, and that the money would be sent to Massachusetts as soon as I qualified there with the necessary bond.

On reaching Massachusetts I duly qualified in the probate court as guardian of my said minor daughter and made the necessary bond and took the necessary oath of office, and duly qualified in every way as guardian, and my attorney sent to said Judge Carl O. Hamlin and the clerk of his court, a full transcript, showing my letters of guardianship and qualification. And one excuse after another has been put up by Judge Carl O. Hamlin and my said local attorney, L. H. Welch, for not paying me the said money due, and I have been trying for 7 months to get this money I am in need of.

Besides having my permanently afflicted daughter to care for, as she is still suffering from the fracture to her skull and her dislocated back and injuries to her eyes, chest, and lungs, and has never been able to go to school again, I am also supporting and caring for my 80-year-old father.

Every time Judge Carl O. Hamlin and L. H. Welch have insisted on my doing something else before they will send me the money due me. I have had my lawyer, Mr. Frank P. O'Donnell, 717 Tremont Building, Boston, Mass., he being a first-class lawyer, to meet their requirements and send such papers to them as they demanded. And still they refuse to send my money which has been a great hardship upon me, my afflicted daughter, and my 80-year-old father.

Judge Carl O. Hamlin promised me that as soon as the guardianship papers were received by him, he would release my money to me within 5 minutes, but he has not kept his promise, and it looks now as if it is going to cost me more to get this money that belongs to my minor daughter than it amounts to.

Inasmuch as Congressman BLANTON represents the district embracing Breckenridge, I am sending him this statement, asking that he take steps to help me get my money, which has been held long enough by Judge Carl O. Hamlin and his court officials and their bank, with free use of it since October 2, 1933.

Mrs. EDITH MEDILL.

Sworn to and subscribed before Fred B. Fletcher, justice of the peace, and duly authenticated under seal by William G. Regan, clerk of the district court of Middlesex County, Commonwealth of Massachusetts.

Her Boston attorney, Mr. O'Donnell, and her Congressman, Hon. FRANK H. FOSS, have both appealed to me several times asking help in getting Judge Hamlin to turn this mother's money to her, and I have had threats of her carrying the matter to the United States Federal court, and their criticisms are a reflection upon our section. I have written to Judge Welch about it and I believe he will take decisive action, for this mother has waited for her money since October 2, 1933.

#### EXPLANATIONS CARL HAMLIN MUST MAKE

Instead of spending his time flaying me, when he has no platform, Carl Hamlin must answer the following: First. Why did he secretly campaign against me in Stephens and Palo Pinto Counties in 1932, simply because I had performed my duty in removing 4,800 emergency officers without service disability from the big monthly payments they wrongfully drew from the Government, his being \$150 per month? Second. Why does he not do like Maj. William Wolff Smith did—pay back to the Government the thousands of dollars he has unlawfully received? Third. After I mentioned in my speech of March 2, 1934, his Lila Keith affidavit telling about his nervousness, and boils on his head, and bad lungs, which afflictions he now says he never had, why did he wait until April 5, 1934, before he denied having such afflictions? Fourth. Why did he publish on April 5, 1934, the emphatic statement that he had never heard of a Lila Keith affidavit, when on March 30, 1934, the Dallas bureau advised Carl Hamlin that such an affidavit by Lila Keith had been in his file, but that it had been removed therefrom? Fifth. Carl Hamlin must explain why this Lila Keith affidavit was filed on the same day and at the same hour in his file that other of his affidavits from his doctors were filed, and his claim that same pertained to another veteran is ridiculous. Sixth. Who took the Lila Keith affidavit from his file? Seventh. When he says he is not further appealing his claim for \$150 per month, why did he have his file sent to Dallas, which he wrote to have done on January 29, 1934, long before I mentioned Lila Keith? Eighth. Why is he having Capt. Watson B. Miller, who helped William Wolff Smith get his \$187.50 per month, send his different files here and there, and preparing his appeal, if he is not appealing? Ninth. If not the officers' lobby, who is furnishing the large sum of money Carl is spending in this campaign? Tenth. Why did he

write Mr. Simmons that he had to pay more than civilians for insurance, when he has a gilt-edge gold policy for \$10,000 with the Government, for which he pays a very small quarterly premium? Eleventh. Why did he charge the people of Texas with \$34.85 extra, additional to his salary, for the 3 days he held court in Fisher County, during all of which time he was campaigning? Twelfth. Why did he help Chastain gerrymander my district, and why is he conferring with Chastain in a common fight against me when they are opponents, and why have they been campaigning against me for the past 6 months, when I have been on the job at my post of duty in Washington? Let him answer.

#### MY 10 COUNTIES THEY STOLE FROM ME ARE LOYAL

I ask my constituents to write Jim White, editor of the Brownwood Bulletin, Editor Collins at Llano, Editor Pharr at Lampasas, Editor Thompson at Goldthwaite, Editor Schwenker at Brady, Editor Patterson at Mullin, Editor Shepherd at Ballinger, and Editor Billie Smith at San Saba, and they will tell you that my 10 counties were gerrymandered away from me by Chastain and Hamlin, without their consent, and that they are loyal to me now.

[Editorial in last issue of Lampasas Record]

#### WE LOSE BLANTON

In the redistricting of Texas by the legislature, Lampasas County was taken from the Seventeenth Congressional District and hence lost the Honorable THOMAS L. BLANTON; that is, lost the opportunity to help elect him again this year.

In the primary of 1932, despite the fact that Mr. BLANTON spent most of his campaigning time in Washington attending to the people's business, he was given exactly two-to-one majority over his opponent, and it is the opinion of a number whom this writer has talked to that he would have done the same thing again this time regardless of who his opponent happened to be had he remained in his district. The people of Lampasas County have learned that BLANTON is a Representative of his own people.

Mr. BLANTON is one Congressman who fights the battles of the common people all the time. He is one Congressman who gives all his time to his official duties and never shirks or straddles the fence. He is one Congressman who is never too busy to hear the petitions of his people and then to get to work on the thing they are after. He listens to the petitions for little things and to the petitions that affect the entire State or Nation. He has proved during the years that he is able to get things done and get them done right away when he is called on by any of his constituents, or when he knows they need to be done, regardless of whether he has been asked to. In other words, he is looking out all the time for his people.

Mr. BLANTON has never taken part in the other fellow's political campaigns and has always received the support of prohibitionists, antiprohibitionists, Ferguson supporters, and anti-Ferguson supporters alike. In other words, the people whom he has served have learned that he represents them, and they all support him.

This writer believes that the great majority of the people of Lampasas County regret the fact that they do not have a chance to vote for Mr. BLANTON again, but that they would like to recommend him heartily to the new counties which have been added to his district. If the people of the Seventeenth District want a real Representative of the common people in Washington they can have it by electing TOM BLANTON.

#### LIKE FATHER LIKE SON

Carl Hamlin's father represented a Missouri district in Congress for 14 years. He accomplished nothing of consequence. When Missouri defeated and retired him on March 4, 1919, he had never gotten beyond one of the small committees. He has not been back since, though Missouri has a solid Democratic delegation, all 13 Congressmen being Democrats. But being a Member of the war Congress, he did help Carl to get into an officers' training school, which got for Carl a commission, and he did help Carl to stay in the United States, where there were no trenches and dangerous Germans. And Carl Hamlin cannot deny that he did stay in the United States throughout the entire war.

And unlike the thousands of men and officers, who, immediately after the armistice, November 11, 1918, cabled me to get them out promptly, Carl Hamlin remained in his swivel-chair captaincy until January 30, 1919. Why? Things were pleasant. He was enjoying himself. Under Army regulation, he had private soldiers to wait on him, to make up his bed and look after his quarters, to shine his shoes, and act "flunky" for him. He hated to give it up.

#### LITTLE TRAINING FOR JUDGE

Carl Hamlin did not have long to practice after he got out of law school before he was training to become a stay-

at-home captain, and he had only 2 years after he left his remain-at-home captaincy until, through political influence, he got an appointment as district judge, for a one-county district embracing only Stephens County, with a \$5,000 salary from the State, when I used to hold his Stephens County court, and the court for Eastland, Callahan, Shackelford, and Taylor, and keep all the dockets up to date, for a salary of only \$3,000. If Carl Hamlin had given closer study to equity and law, he would not have denied the 79-year-old widow, Mrs. Stokes, her rights, and he would not have kept Mrs. Medill's \$1,750 from her since October 2, 1933.

#### IT IS STATE TAXES RUINING THE PEOPLE

It is ruinously high State taxes levied to pay big salaries to district judges with one county, idle, like Carl Hamlin, most of his time, for which State legislators like Oscar Chastain are responsible, that has bankrupted the farmers and other citizens of Texas. Instead of wasting his time gerrymandering my district, and taking 10 loyal counties from me, Chastain should have been fulfilling his pledges, and abolishing the useless courts and idle judges. But his brother-in-law is a judge, and his daughter works for a judge, hence he could not abolish any courts.

#### FRANK JUDKINS—WHO IS HE?

Friends wire me that today's Weekly Record, which is delivered free over Eastland County, attacks me for not supplanting Republicans with good Democrats. Is Frank ignorant? Is he unposted? Or is he just demagoging? He is really attacking the President of the United States. It is not new for Frank to be against the Democratic Party. I want the people to write to Odessa and learn of his record. I have appointed over 20 Democratic postmasters. Promptly after each vacancy is declared I appoint. I let my friends who are patrons of the Stamford office choose their postmaster. I let my friends who are patrons of the Carbon office choose their own postmaster. I let my friends who are patrons at Gorman choose there. I let the Democratic organization of Eastland County choose the postmaster at Desdemona and at Olden. The President has taken the position that our Democratic Party nationally is a minority party and must have help from Progressive Republicans, and because of the help which we received from Senator CUTTING, of New Mexico; Senator JOHNSON, of California; Senator NORRIS, of Nebraska; and others, he feels bound to allow retiring Republicans to have a few months to adjust themselves before removing them after terms expire.

I am reminded of the foolish attack Frank Judkins recently made upon me in the Star-Telegram, and the answer to it by the editor of the Eastland Chronicle, which is the oldest established newspaper in Eastland County, appearing in the Star-Telegram, June 7, 1934, from which I quote the following:

Mr. Judkins' law partner is a candidate against Mr. BLANTON and that Mr. Judkins never has been a supporter of Mr. BLANTON.

I cannot agree with Mr. Judkins.

During Mr. BLANTON's long career in Congress he has been universally recognized as the leader in numerous bitter fights to protect the interests of the masses. In fact, it has been his unrelenting fight in behalf of the taxpayers, not only of his district but of the country as a whole, as much as anything else, that has caused him to have an opponent in each election since he has been in Congress, the present campaign not excepted.

Remembering his long, useful service in the House and having the utmost confidence in his ability and integrity, the voters of Mr. BLANTON's district again will return him to Congress this fall just as they have been doing.

I quote the following from the Eastland Daily Telegram of Sunday, June 10, 1934:

#### A CHALLENGE TO CHASTAIN

SWEETWATER, TEX., June 8, 1934.

MR. OSCAR CHASTAIN,  
Eastland, Tex.

DEAR SIR: Just above your picture, you head your campaign folder "If it's knowledge you want" followed by "Read what the friends of Chastain think." Then without quotation marks you print what purports to be an endorsement of you, praising your great knowledge, but not one name is signed to it, yet you assert that it was signed by 1,000 citizens of Eastland County.

I challenge your assertion. I demand that you produce the names and addresses. A reliable Cisco citizen asserts that you had this purported endorsement circulated in Cisco and could get only a few signers. I understand that you have a daily newspaper in

Eastland, and I now challenge you to publish in it the names and addresses of the 1,000 Eastland county voters you claim signed your said endorsement. I contend that you haven't got them. I am sending a copy of this to your newspaper, daring it to print same as an open challenge to you.

You brag about practicing law some and teaching school some and being in the legislature some, and that you have taught in Bryan, Stephenville, Thurber, Merkel, and Stamford. Don't these frequent changes indicate that you couldn't make good? I challenge you to tell why you had to change schools so often and why you have not been able to offer us voters a single thing that BLANTON has not already done for us.

Very truly,

J. H. FREEZE.

#### ANENT THE ABOVE

I received a letter, dated March 11, 1934, from one of the leading citizens of Cisco, Tex., stating:

Oscar Chastain employed a man to take an endorsement of him around to the business men of Cisco, and he got only a few signers. Some signed just to help the party carrying it. After numerous refusals, he took it back to Chastain.

So Mr. J. H. Freeze must "know his onions."

#### CONCLUSION

In conclusion I quote the following excerpts from the Washington Daily News, which is not my friend, and which attacks me regularly, but which shows that I have been against any raise in salaries and have been for retaining the salary cuts:

[From the Washington (D.C.) Daily News]

BLANTON, ARDENT PAY-CUT ADVOCATE, IS CUNNING FOE—STAND OF TEXAS CONGRESSMAN, WHO SINGLE-HANDEDLY KILLED DISTRICT APPROPRIATIONS BILL, IS NO SURPRISE

Representative TOM BLANTON, the gift of Abilene, Tex., to American statesmanship, has come out against any present or future restoration of Government salaries to their predepression level.

BLANTON is too well known around here for there to be any need of a dissertation on why he is on this side of the question.

It is natural and fitting for "Terrible Tom" to take the contrary side of any attempt to give Government personnel a break, and it wouldn't look right if he didn't. And it would be foolish to underestimate this man's resourcefulness and parliamentary cunning.

#### POWERFUL FOE

I saw him, single-handed, kill the District appropriation bill in the last few minutes of the congressional session that ended March 4. After weeks and months in which he had blocked this measure from enactment, he seized the precise moment for the kill and by his lone objection drove the fatal dagger into the palpitating legislation.

Of course, the extra session provided the essential appropriations, but they were at BLANTON's figures. BLANTON had his way. Take care that he doesn't have it now.

One way to block BLANTON is to help the News build up such a convincing case on the human side of the cost-of-living question that President Roosevelt and the majority of Senate and House will see fit to end the pay cut and give Uncle Sam the right to fly a Blue Eagle by repealing the pay cut law early in the January session.

When I have remained on the job and kept busily at my post of duty during the past 6 months, while my opponents were maligning, misrepresenting, and actively campaigning against me, I have felt it to be my duty to see that my constituents should have the real facts about my service and standing here, and I have gone to great expense and trouble to place the facts before them, and I have an abiding confidence and faith that they, when the crucial time comes, will care for my interests. I am tired from long hours. Many Congressmen who have no opponents will get a deserved rest. I will have no rest. But I have the approval of my own conscience, and the consolation of knowing that "I have fought a good fight, and I have kept the faith."

Mr. BLANTON. Mr. Speaker, in the Sixty-sixth, Sixty-seventh, and Sixty-eighth Congresses, under Republican administration, in addition to sums already mentioned as having been spent on investigations, there were the following sums spent by other committees on investigations, to wit: One spent \$10,047.13; one spent \$2,500; one spent \$1,143.94; one spent \$991.50; one spent \$150; one spent \$8,492.42; one spent \$5,816.85; one spent \$21,440.92; one spent \$16,948.16; one spent \$333.33; one spent \$5,650.17; one spent \$24,995.63; one spent \$24,102.71; one spent \$3,089.93; one spent \$9,627.03; one spent \$99.30; one spent \$6,912.02; and the Judiciary Committee spent on its three investigations—\$3,193.37 on one, \$2,043.06 on another, and \$68.90 on another.

It is my very best belief and judgment that practically all the money spent above mentioned was wasted.

Mr. WARREN. Mr. Speaker, I think it should be understood before the House votes on this measure that the maximum amount that will be asked from the Committee on Accounts tomorrow for this investigation will be \$25,000.

Mr. SABATH. The gentleman is correct.

Mr. WARREN. It will not exceed that amount?

Mr. SABATH. No.

Mr. WARREN. Therefore, if this resolution should pass the gentleman will expect to get something like that sum?

Mr. SABATH. And no more.

Mr. WARREN. I think the House ought to have full notice before it votes on this resolution.

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

Mr. SABATH. I yield.

Mr. CELLER. Mr. Speaker, I would remind the gentleman from Texas that the gentleman from Illinois ordered an investigation which the gentleman from Texas favored, relating to an investigation of receiverships in New York City. In that investigation which resulted in successful legislation we spent \$3,100, and a bill was passed at this session of Congress curing the evils disclosed by the investigation.

Mr. BLANTON. But the gentleman knew all the facts before the investigation was ordered in that instance. So did I.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan.

Mr. MAPES. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this resolution provides for the appointment of a congressional committee to investigate protective bondholders' committees. As a Member of the Rules Committee I was inclined to favor and support the resolution until the passage of the Stock Exchange Act, which directs the Stock Exchange Commission to do exactly the same thing that is proposed to be done through this resolution by a committee of Congress.

I have a great deal of sympathy with bondholders, and I have some sympathy with these protective committees. I think the bondholders should realize that it is hard for protective committees to get blood out of a stone and that many of the protective committees have not been furnished with anything to carry on with or to make the investigations and the reports which the bondholders desire to have them make. On the other hand, it is probably true that some of the so-called "protective committees" have been too tight in furnishing information to the bondholders and have to some extent ignored the requests of bondholders for information to which they were entitled.

At the same time, it seems to me that there is no necessity for unduly annoying the protective committees or causing them undue expense. As I have said, the Stock Exchange legislation provides that the Stock Exchange Commission shall do exactly the thing that this resolution provides that a committee of Congress shall do, with the possible exception that the Stock Exchange Commission is not required to report to Congress until the 1st of January 1936.

Mr. Speaker, those who have kept track of the stock exchange legislation know that in the Senate an amendment was adopted amending the Securities Act passed about a year ago, and, at the same time, a rather extensive amendment was adopted requiring reports to be made by these protective committees. In conference the amendment relating to protective committees was modified to require the new commission to investigate the protective committees and report back to Congress.

Mr. Speaker, in order that the House may know just what the stock exchange law provides in this respect, I will read the paragraph of the act relating to the subject, which was approved on June 6, 1934. Section 211 reads as follows:

The Commission is authorized and directed to make a study and investigation of the work, activities, personnel, and functions of protective and reorganization committees, in connection with the reorganization, readjustment, rehabilitation, liquidation, or consolidation of persons and properties, and to report the result of its studies and investigations and its recommendations to the Congress on or before January 3, 1936.

The only reason or excuse I can see for the duplication of this work by a committee of Congress is that it will be required to report before the expiration of this Congress, or before the 3d of January 1935, and this Commission is required to report on or before January 1936. It seems to me that that is not a sufficient reason for going to this additional expense and putting these protective committees to the additional expense and annoyance to which they will be put by having these two investigations made at the same time for the purpose of getting the same identical information. For this reason, Mr. Speaker, after the stock exchange bill was passed it seemed to me that the resolution, now before the House, ought not to be considered or passed.

Mr. BRITTEN. Mr. Speaker—

The SPEAKER pro tempore (Mr. BLANTON). For what purpose does the gentleman rise?

Mr. BRITTEN. May I inquire what the parliamentary position of the bill is at this moment?

The SPEAKER pro tempore. The parliamentary situation is that the bill is called up under a rule and the gentleman from Illinois [Mr. SABATH] has control of the floor.

Mr. BRITTEN. Will the gentleman yield me 5 minutes?

Mr. SABATH. The gentleman on that side of the House has time to yield.

Mr. BRITTEN. I am in favor of the resolution and I should like to have 5 minutes.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, early in this session the gentleman from Wisconsin [Mr. O'MALLEY] introduced a joint resolution in connection with Senator McCARRAN to investigate the situation in reference to bondholders' committees of real estate, reorganizations, bankruptcies or receiverships. Thereafter the gentlemen from Illinois [Mr. KELLER and Mr. SABATH] introduced similar resolutions.

The Rules Committee, after considering the matter for a month, determined that the question was of such moment that something should be done about it by this Congress. We understood that at least a million people in this country were complaining of the treatment they were getting through the reorganization of these big real-estate failures. The promoters of the committees had used the mails to form these committees, and to secure possession of the bonds. It was alleged that dividends were being withheld from the bondholders; the properties were being handled as the committee heads saw fit through the appointment of attorneys, receivers, trustees, and so forth, and paying unreasonable fees.

The Rules Committee brought out of its own accord this resolution, being a composite product of the three resolutions introduced by the gentlemen whom I have just mentioned. May I say that I have received possibly 10,000 letters from people who begged Congress to look into this situation. There have been parades of fifteen or twenty thousand or more people protesting that something should be done. These people live not only in the city of Chicago, but in the city of Milwaukee, the city of New York, and in many other places all over the country.

For instance, one of the outstanding frauds upon the public was the issuance of bonds on the National Press Building here in the city of Washington. Other outstanding examples were the Straus failure in New York, the Greenbaum failure in Chicago, and other similar failures, prior to which bonds had been sold to the American people because of the high rate of interest, of 7 or 8 percent, and then with the collapse of the real-estate situation, these bondholders' committees further are alleged to have defrauded the security holders under fraud or pretense and by using the mails and through other interstate communications, by getting possession of these bonds and since then having handled the properties just as the committee heads have seen fit.

I have never seen a situation in which so many people in our country are so vitally interested, and to a great extent they are widows and children whose investment and estate consisted of these real-estate bonds.

In answer to the gentleman from Michigan [Mr. MAPES], in the stock exchange bill, as it came before us, there were several provisions permitting that body to look into this situation thoroughly. Those provisions were stricken out and at the last moment, in conference, section 211 was placed at the very end of the bill, which, in very general terms, and with no such specifications as this resolution contains, authorized—not directed—this new commission to look into something like this subject and to report back in 1936.

The Commission has not as yet been appointed. After it is appointed, with its multitudinous duties, it will be 6 months before the machinery is set up, and everybody knows that the chief duty of the Commission will be to look into the practices of the stock exchanges. So, if this Commission ever did get to this subject, it would not be before 1936, and, in the meantime, at least 1,000,000 of our people might suffer further losses by reason of the practices that are alleged to be carried on by these reorganization committees, bondholders' committees, trustees, and receivers.

So the passage of this resolution is imperative if anything is going to be done to protect the million or more American citizens involved, and it must be done presently, and the proper time to do this work is in the recess of Congress so that the committee may report at the opening of the next Congress.

Mr. Speaker, it is my earnest opinion that there is no more beneficial work that any committee ever could perform than this attempt to protect the rights of over 1,000,000 of our men, women, and children in this country.

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, very little can be said in addition to what the distinguished gentleman from New York [Mr. O'CONNOR] has just presented to the House. I hope that my colleagues on this side of the aisle will not aim to obstruct the passage of this resolution in the so-called interest of economy. This, to my mind, would be a false line of attack.

I agree with the gentleman from New York [Mr. O'CONNOR] about the investigation of the malpractices that have occurred during the depression, practically, at least, in violation of all laws, where poor women, trust estates, orphan asylums, and insurance companies have been robbed by artful devices of lawyers and so-called "bondholders' committees"—

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

Mr. BRITTEN. Yes.

Mr. COCHRAN of Missouri. Has the gentleman any information to substantiate what he has just said?

Mr. BRITTEN. Yes; a lot of it.

Mr. COCHRAN of Missouri. Does the gentleman know that the penal code today provides for putting people in the penitentiary for using the mails to defraud, and if the gentleman will report any such case to the Chief Post Office Inspector, he will get action within a week. We now have a real Chief Post Office Inspector.

Mr. BRITTEN. Yes; and if that could be done under existing practice there would probably be a million of them put in jail under this one act.

Mr. COCHRAN of Missouri. You have a post-office inspector in Chicago who will investigate any such case you may report to him. I am afraid this investigation comes, as usual, too late. The damage has been done.

Mr. BRITTEN. I understand that; but here is what happens: A group of very clever attorneys will set up what they call a bondholders' committee or commission. They will call into conference a number of bondholders who are holding first-mortgage bonds on a large apartment building or large hotel building, as was the case here in the District of Columbia, and finally will be designated to act for these bondholders. They then worm themselves into the good graces of the owner of the building, and, before you know it, they themselves acquire the bonds for a song, wipe the interests of the owner completely out of existence, take every dime

away from him, and sooner or later themselves acquire the property. They will manage to get the bonds at 5 or 10 cents on the dollar, and they are doing it today and acquiring, either by direction or indirection, very valuable pieces of real estate for a fraction of their real value. I am satisfied that they are doing that same thing in New York and every big city in the United States. While this investigation is purely an investigation for the purpose of fact finding and reporting to Congress, I think much good will come from it. The mere investigation itself in a city like Chicago will do a tremendous amount of good. The gentleman from New York [Mr. O'CONNOR] referred to the Greenbaum and Strauss failures as though they were New York failures. They were national failures—one hundred, two hundred, three hundred millions dollars of securities scattered all over the United States.

The fact that those bonds were made as loans on 60 or 70 or even 80 percent of the value of a piece of property to my mind is unimportant. It is usually this group of bondholders' committees that are the vile culprits in this case. They are the fellows who are doing the robbing and the stealing. I get letters every once in a while from some poor old soul who has a thousand-dollar first-mortgage gold bond. It may be one of the Strauss issue or the Greenbaum issue. She is offered 5 cents on the dollar for it; what should she do? What advice can I give her? The poor soul is in a position where she is about to be squeezed out of existence, and these tricky lawyers have the matter so framed that they are always just within the law. They do use the mails to defraud, but they are always just within the law.

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

Mr. BRITTEN. Yes.

Mr. BANKHEAD. It was represented before the Committee on Rules before we reported out this resolution that in many cases the parties in interest were absolutely unable to secure information concerning their own property, their own bonds.

Mr. BRITTEN. That is true.

Mr. BANKHEAD. I understand that one of the main purposes of this resolution is to give the committee power to subpoena witnesses, to disclose information the bondholders ought to have.

Mr. BRITTEN. That will be its most important function. Of course it would be silly for a group of sharp lawyers who are aiming to steal a piece of property to tell the various bondholders who their colleagues are. They do not tell anybody, and no one can get that information, except the man on the inside, and he uses it to his own advantage. This investigating committee will bring out a lot of valuable information.

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

Mr. BRITTEN. Yes.

Mr. MAY. Has the gentleman been informed of the fact that some cooperative banks in the South have agents in New York who buy up their bonds which they sold to investors at one hundred cents on the dollar, paying for them about 15 or 20 cents?

Mr. BRITTEN. I know of one case where they bought a bunch of bank bonds at 15 cents on the dollar and the poor soul who had them had to sell, because he needed the money.

Mr. MAY. Will this resolution authorize an investigation of that?

Mr. BRITTEN. Undoubtedly, and I think that is its principal purpose. I hope the Members on my side of the House will not vote against this bill on the ground of so-called "economy."

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, there are times when a person can be so full of a subject that he finds difficulty in deciding where to begin its discussion. Back on March 30, 1933, during the first few weeks of my term of office, I introduced House Joint Resolution 137 which provided for an investigation similar to that authorized in this Resolution

412 brought in here today by the Rules Committee. Briefly the purposes of my earlier Resolution 137 are summarized on page 3 of that resolution, which reads as follows:

*Resolved, etc.*, That the House of Representatives of the United States, with the Senate concurring, does hereby declare a moratorium of 30 days after the passage of this resolution to be called on all reorganizations, refinancing, liquidation, and insolvency proceedings of bond, mortgage, debenture, stock, or security transactions of any kind whatsoever, during which time a joint committee of the House of Representatives and the Senate to consist of 7 members, 3 to be appointed by the Speaker of the House and 3 to be appointed by the President of the Senate and 1 to be named by the President of the United States, shall function to conduct hearings, take testimony, examine and swear witnesses, and be empowered with all administrative details essential to the conduct of an efficient investigation to determine the desirability of such reorganization committees and to report recommendations for the future conduct of liquidation, reorganization, and similar proceedings in an effort to salvage a greater percentage of investments made in such enterprises and restore the confidence of the American people in an economic stability; be it further—

Inasmuch as the pressure of legislative business tending toward recovery in the special session of the Seventy-third Congress was so great, my resolution for this investigation at that time was not acted upon. However, on February 5, 1934, in conjunction with Senator PATRICK McCARRAN, of Nevada, I reintroduced my proposal for this investigation under the title of House Concurrent Resolution 31. This resolution was sent to the Committee on Rules and I enjoyed the privilege of appearing before that committee in behalf of its passage. The resolution now before us in the House is the result of the studied thought and consideration of our very excellent Rules Committee, and proposes an investigation into a colossal legal fraud that I have fought to bring about for more than a year and a half. The situation which calls for an investigation of this kind is simply this: From 1920 to 1929 billions of dollars' worth of bonds, secured by real property in this country, were sold to American investors, most of these investors being persons of small incomes. These people, lured into the purchase of these securities by offers of high interest and widely publicized propaganda of safety for their investment, put their small life savings entirely into this type of security.

When the depression came, many of these properties were unable to sustain the interest charges on the bonds or make any payments upon principal, but a great many of the properties were still operating and obtaining revenue sufficient to pay some money to the investors. A group of racketeers who have increased in numbers tremendously in the past few years, however, saw in the depression an opportunity to reap huge profits at the expense of these investors in these bonds and, using depression hysteria, forced, by means of false statements and absolutely misleading propaganda, a vast majority of these investors to turn their securities over to so-called "protective" committees, obtaining with the deposit agreements on these bonds powers of attorney that gave the committee absolute authority to manage and exploit the building securing the bonds. In thousands of different reorganization and bondholder protective schemes I have found few in more than a year and a half of investigation in which the bondholders, the people who built the buildings, have received anything at all upon their investment, although the buildings are operated, rents are being paid, and someone is collecting the revenues.

I hold here in my hands a booklet containing a list of buildings in the United States upon which real-estate bonds were floated. This book is 86 pages in content. Each page contains an average of 40 different buildings upon which separate bond issues have been floated which gives us a total of 3,500 real estate bond issues that I know of any I venture to say that 90 percent of these issues are in default and have been in default for from 3 to 5 years. This list covers every city and State in the country.

More than 1,000,000 of our American citizens have investments in these kinds of securities. These investments have been mishandled and misappropriated by committees of attorneys, inside operators, brokers, owners, and professional financial racketeers in scores of cases, and unless the Congress of the United States authorizes this investi-

gation, it would be doubtful if these hundreds of thousands of small investors will be able to get fair treatment and salvage anything of their hard-earned investments.

Perhaps no portrayal of mine in words of the situation presented by this wide-spread legal fraud against the American investing public can so well describe the stupendousness of the deceit and downright and deliberate crookedness being practiced upon these investors than was described in a publication called "Real America", that sent out an investigator to write for this publication his impressions of this problem sometime after I introduced my resolution asking for an investigation of this kind. I append herewith some extracts from this article, which appear in the November 1933 issue of this publication.

#### THE GREAT AMERICAN BOND FRAUD

By Stuart Mills

America's small investors have sunk billions of dollars in bonds now worthless. They were rooked, first, by default of interest payments, then by depreciation of the bonds, and then by bondholders' protective committees, which by false promises are now making a final clean-up. \* \* \*

The last Congress enacted laws to provide for the orderly liquidation of insolvent banks, but it neglected to provide any protection for the hundreds of thousands of people who had put their life savings into real estate mortgage bonds.

This neglect was through no fault of Tom O'MALLEY, Representative from the Fifth Wisconsin District, who fought for the forgotten and entirely disregarded widows, orphans, small business men, teachers, working men, who, up to now, have cleaned out by the operation of committees trafficking in these defaulted bonds.

O'MALLEY took up the cudgels for the defaulted bondholders of the country with the introduction of House Joint Resolution 137, which demanded an investigation of bond racketeering and doubtful reorganizations.

His investigation, prior to the introduction of his measure, disclosed that there was over \$5,000,000,000 worth of real estate mortgage bonds in default; that more than one and one-half billion dollars in foreign bonds are almost worthless; that billions of dollars' worth of municipal, corporation, and industrial bonds have defaulted and complete the picture of the greatest wholesale default of securities ever experienced by the gullible investing public in any country.

In the House of Representatives, he introduced House Joint Resolution 137, with the idea of compelling the Federal Government to become active in protecting the interests of the security holders against unscrupulous, inefficient, or otherwise doubtful bondholding and reorganization committees.

Had the Committee on Rules given a hearing to House Joint Resolution 137, they would have learned of the operations of the F. H. Smith Co., peddlers of bonds to the tune of \$600,000 on the Royalton Apartment Hotel in Philadelphia. This property was assessed at \$475,000. It carried a \$300,000 fire-insurance policy. The Girard Trust Co., acting as trustee for the property, bought it from the bondholders' protective committee, through an affiliate of five vice presidents, for \$121,000. The new owners are now asking \$300,000 for their bargain purchase. Identical attorneys represented the interests of trustee bondholders and protective committee, notwithstanding the American Bar Association forbids such practice.

The same F. H. Smith & Co., real estate brokers and bond sellers, were involved in litigation concerning more than 50 bond issues aggregating about \$30,000,000. Three former officials of the company were jailed as a result of the legal proceedings. Here the proposition was so attractive that the first committee was bought out by a second, and the two committees proceeded to sell out the bondholders (with emphasis on the sell out) in a series of complicated and inexplicable transactions.

For instance, the expense of litigation on the 137 issues of the G. L. Miller Co., New York, averaged but 7 to 10 percent of the investment of the bondholders. In the Hotel Watson case, Miami, bondholders received \$20 in cash and \$52 in new bonds for each \$100 deposited with the protective committee, while the expenses of the committee for making this settlement were \$35,488.03.

In Birmingham, Ala., a proposition which would have netted holders of bonds on the Third Avenue Building only \$41, was refused by a judge and today the bonds are selling below \$5 each. The Columbus Hotel at Miami was ready to give its bondholders \$31. This deal was refused. Today the bonds are worth from \$1 to \$2 each.

The Girard Trust Co., Philadelphia, which managed the Royalton Apartments deal, is also trustee of other properties on which there are huge outstanding issues. The procedure of the protective committees in these cases will be interesting to observe.

A New York bondholders' committee liquidated a \$60,000,000 issue. An excess of \$4,000,000 was collected for attorneys' fees and expenses, in return for which bondholders received a complicated, unintelligible legal agreement under which they surrendered original certificates.

In Chicago we find \$100,000 fees for receivers and fat salaries for haphazard bondholders' protective committees.

"I was just a goat or a sheep", said former Lieutenant Governor Oglesby, of Illinois. "Or maybe I am just a plain sucker. I fell for a lot of euphemistic letters from bond houses and bought a lot of bonds. When the bonds were defaulted I was pretty near threatened that unless I deposited my bonds the property would be sold and I would receive only 10 cents on the dollar."

The hearings in this \$1,300,000,000 investigation, conducted by the Illinois legislative committee, are amazing in their revelations. New York City has a \$5,000,000,000 real-estate bond investigation involving the bonds floated by the bankrupt S. W. Straus & Co.

Samuel Seabury proposed the creation of a Federal agency to administer the property securing the defaulted real-estate bonds for the protection of bondholders, just as the courts hold assets for creditors in bankruptcy proceedings.

"If something of the sort is not done", he says, "the present legal machinery is so inadequate that hundreds of thousands of investors will be left to the rapacity of groups organized to buy up for a few cents on the dollar the interests which these people now own."

Perhaps, through the concerted effort of defrauded investors, legislation such as proposed by Congressman O'MALLEY will pass in the next session of Congress.

Meantime Congress might consider the human angle of the matter. A Milwaukee man who thought he had saved enough to allow him to live the rest of his years in ease and comfort writes to me:

"I have my life's savings invested with — of Milwaukee and cannot get a dollar back. The protective committees that are appointed, as a rule, are fake committees (I am a member of one) and seem to work in favor of the owners instead of the bondholders. The committee of which I am a member is trying hard to help the owners skin the bondholders, but I alone out of five am blocking all their crooked moves. I am trying to protect the bondholders. We will all be defrauded to the last penny unless someone puts a stop to this racket.

"— have over \$100,000,000 in real-estate mortgage bonds outstanding, most of them held by Wisconsin and Milwaukee people. Can you perhaps suggest something that we might do now, while you are working on something in Congress to prevent the building owners from swindling us out of our hard-earned money?"

From a woman who has sold to her friends nearly a quarter-million dollars worth of bonds, almost all of them in default:

"My heart is sick when I meet people who are compelled to ask for city aid because of the defaults. Others are old and they placed their entire confidence in the house of S. W. Straus, because of the slogan '47 years without loss to any investor' and their confidence in me. \* \* \*

"It is suggested that boycotting reorganization committees by refusing to surrender securities might bring the situation to the lawmakers' attention. This is fine indeed, if we could only be sure that 51 percent of the securities did not get into their hands, empowering them to go ahead and act.

"Yesterday I received an income bond for \$500 with some stock in exchange for a first-mortgage bond on the Grand View Apartments of Sioux City, Iowa. The trust indenture of the bond carries enough 'ifs', etc., so that the committee can do whatever it chooses \* \* \*"

In all kinds of handwritings, on all kinds of stationery, these letters come. A California man has labored hard for over 40 years and is now left stranded and at the hands of a "protective committee", which has taken no action and made no payments. It ends on a pathetic note:

"To start all over again \* \* \* it is just impossible."

Another letter thanks the Congressman for his interest in behalf of defaulted bondholders and adds: "No doubt there will be another exodus to Grecian ports before such an investigation gets under way."

These are a few of countless letters on file. All of them are signed. Petitions have been sent to President Roosevelt. Representatives have been approached by the victims of glib-tongued salesmen.

Reorganization committees have forms that are long and complicated and utterly incomprehensible to the average investor. They are skillfully and cleverly framed by shrewd lawyers, paid by the bondholders to diminish their remaining assets even more and conceal the true state of things.

A typical example: "Moreover, nondepositing bondholders will not be entitled to share in the benefits of the agreement between company and the committee."

That leaves little else for the defaulted security holder to do but to comply with such request, since his failure to do so may result in an entire loss. Consequently, until some kind of a halt is called, these protective committees will go on mulcting the unsuspecting investor indefinitely.

The reorganization plans go into great detail in describing such things as trustee's sales, new mortgages, refinancing plans. In many cases the original issue was insecure. Yet protective committees continue to grasp the remaining cash for administrative purposes.

Further verification of the need for this investigation is contained in the almost Nation-wide publicity given this subject by many newspapers throughout the country. For instance, the Washington Times of Saturday, November 25,

1933, made the following comment concerning the need for an investigation of this kind at the time I appealed to the President for his consideration of some action that might halt the fraud in the handling of these real estate mortgage bonds by certain protective committees. The article to which I refer stated in part the following:

#### MORTGAGE FRAUDS TOTAL BILLIONS By International News Service

President Roosevelt has under consideration appeals for Federal action to halt alleged frauds in real estate mortgage bonds amounting to billions of dollars.

The movement for an investigation and creation of Federal agencies to protect the interests of bondholders is being led by Senator McCARRAN, Democrat, of Nevada, and Representative O'MALLEY, Democrat, of Wisconsin.

After a long study of the fate of investors in mortgage bonds on apartments, hotels, office buildings, and other real estate, the Members of Congress hold prompt investigation is necessary to prevent frauds.

Bills proposing an investigation and authorizing the Treasury to name liquidating agents for mortgages in default, but where receivers have not been named, will be introduced when Congress meets.

#### FIVE-BILLION-DOLLAR DEFAULT

Representative O'MALLEY declared:

"We are directing our fight against reorganization committees which have been formed when interest has been defaulted, but receivers not named, and proposals made for reorganization.

"The most amazing legal frauds imaginable are being practiced. With \$5,000,000,000 of bonds in default, the situation is even more serious than the bank closings.

"Men and women are losing their life's savings. The States are powerless to act because of interstate features which deprive them of full jurisdiction. Unless the Government acts the frauds will go on.

#### SEES CONSPIRACY

"The methods used in various parts of the country are so similar that I am convinced there is a gigantic conspiracy being carried out. There are 2,000 reorganization committees operating."

O'MALLEY cited as examples of investigation:

A bondholders' committee bought for \$121,000 a building in Philadelphia on which \$600,000 bonds were issued. They turned around and prepared to sell the building for \$300,000.

A reorganization committee driven out of Wisconsin to Oklahoma held \$2,000 bonds of a physician for 2 years. Having had no word, he asked for return of the bonds, and was informed he would have to pay \$210 in fees.

In Illinois, he said, a hotel was mortgaged for \$100,000. The reorganization committee offered to settle with bondholders at 10 percent of the face value of their bonds.

The Oshkosh Northwestern, in a very able editorial, commented upon the subject of this investigation and urged its adoption by Congress. Likewise many other newspapers, not only in my own State but throughout the country, have urged the passage of an investigation resolution of this kind. The Christian Science Monitor, in its issue of August 18, 1933, deals very fully with the subject of these bonds and some of their comment concerning the need for an investigation of this problem by Congress is contained in their article, extracts from both papers follow:

[From the Oshkosh Northwestern, Oct. 16, 1933]

#### ACTION NEEDED ON BOND FRAUDS

Elsewhere in this issue is a news account of shocking developments relative to frauds revealed in connection with the exploitation of some half a million American holders of defaulted real-estate bonds. The story is from Chippewa Falls and it points to the need of prompt action by Congress to check ruthless operators who win the confidence of persons who considered investments in real estate first mortgages as reliable and safe.

The Chippewa Herald-Telegram says there should be a law to protect these holders of defaulted bonds, but unfortunately there is no such law. And it adds:

"Nor is there any other law under which such exploiting pirates can be brought to book. On the contrary, these vandals are using such laws as exist to promote their frauds.

"When the history of the present depression is written, one of its most amazing—and shocking—chapters will be the story of how thousands who believed they were investing their money in the ultimate of secure investments were 'legally' mulcted out of what equities they had left when the bubble burst.

"There has been a great public apathy in this matter mostly because a 'bond holder' is somehow associated in the mass mind with a 'plutocrat' and most people have had troubles enough of their own without wasting attention on people of wealth who may have guessed wrong."

As a matter of fact, while many well-to-do persons bought real-estate bonds, there is a vast group of people of moderate or small means who invested because the term "first mortgage" was a symbol of safety and conservatism. The list includes widows, elderly couples, and trustees who had small legacies in

their charge. Thousands invested about all they had in what they considered a safe and sane investment field.

They represent the backbone of America, the thrifty, hard-working citizenry who paid their way as they went along and who managed to save a little over and above their immediate needs for their old age. As the Chippewa Falls paper says, "They looked to spending the sunset of their lives in peace and comfort. They had earned the right to do so through years of honest toil. But now they are finding themselves victims of defrauding sharpers."

The situation, it is pointed out, is a major problem of national rehabilitation. It affects seriously the capital goods industries, like the building industry, that depended upon the "long term" money that came from a host of small investors. Congress needs to act as soon as possible to prevent a repetition of the frauds perpetrated upon these persons who sought security rather than action, safety rather than a high return.

Full confidence cannot return until something decisive and definite is done about this matter. Building activities will not be restored until the first mortgage real estate bond business is made healthy and honest and safe.

[From Christian Science Monitor, Aug. 18, 1933]

CONGRESSMAN INTRODUCES BILL TO INVESTIGATE ALL PROTECTIVE ORGANIZATIONS—MANY INEFFICIENT AND CAUSE LOSS OF SAVINGS

WASHINGTON, D.C.—"Do not surrender securities to doubtful reorganization and bondholding committees", Congressman THOMAS O'MALLEY, of Wisconsin, warned holders of defaulted security issues. Mr. O'Malley introduced a House joint resolution early in the special session of Congress calling for a complete investigation into the activities of all mortgage, bond, debenture, shareholder, and insolvency committees.

IRREGULARITIES ON FILE

Mr. O'MALLEY has on file evidence of gross irregularities on the part of committees, many indicating outright fraud in the administration of such reorganization projects. The Wisconsin Congressman, who is holding this material in readiness for a hearing on the measure, is reluctant to divulge the names of companies involved in the allegations and evidence in his possession. It is stated, however, that many large investment houses throughout the Nation have engaged in practices amounting to fraud and mismanagement to the detriment of investors, resulting in the loss of the life savings of hundreds of thousands of persons.

Specific cases, cited by Mr. O'MALLEY, indicate that on a \$60,000,000 bond issue in New York, there had been collected, up to several months ago, by the reorganization committee and attorneys in excess of \$4,000,000 as fees and expenses. A Philadelphia investment committee sold a property upon which there was \$600,000 in bonds for \$120,000 which was paid by a group of five vice presidents who made the bargain offer. The property was assessed at \$475,000. The same committee is in charge of the sale of two other properties in that city upon which there are bond issues aggregating \$2,400,000. In New Orleans \$12,000,000 worth of securities were auctioned off for \$900,000. A Chicago investment house put out an issue of \$1,725,000 on which \$1,644,000 had been paid. A committee was organized and outstanding old certificates were exchanged for new ones which had a face value of but \$338,000. There are scores of other cases involving misrepresentation and mismanagement as well as fraud.

MANY LETTERS RECEIVED

Congressman O'MALLEY has received hundreds of letters from victims from all over the country begging him to keep up the fight to salvage their life savings.

"While all of the reorganization committees are not guilty of deliberate fraud, a majority of them have proved so inefficient that investors have been mulcted of their savings without a chance to protect themselves", Mr. O'MALLEY declared. "The O'Malley-McCarran measure is aimed at the unscrupulous committees and investment racketeers.

"The confidence of the people in investment securities must be restored and their savings protected, so that legitimate enterprises may not be hampered in securing the confidence of future investors enabling them to obtain funds to help carry out the President's great recovery program."

Now, Mr. Speaker, it is not my purpose to disclose at this time and place all of the evidences of this fraud which have come to my attention as a result of the hundreds of letters received by me urging this investigation after the introduction of my first resolution on the subject. However, at the proper time and place, and upon the creation of this committee, I shall submit for its consideration some of the astonishing evidences of corruption and fraud practiced against innocent and trusting investors which I believe will amaze the American people. I did not believe that there was any group of persons in this great country of ours that would take unscrupulous advantage of persons unfamiliar with the ways of finance, but in one year and half of my personal investigations, I have been astonished at the mismanagement and downright thievery of other people's

money that is being carried on through the actions of some of these so-called "investors protective committees."

I feel it is the duty of this Congress to authorize this investigation and find out why these people are being defrauded of their investments and why those responsible for this Nation-wide racket have not been brought to the bar of justice and required to make an accounting for every penny of the funds with which they have been entrusted. I hope that this House today will pass this resolution, create this committee, and that at the next session of Congress the recommendations of the committee will be such that never again in this country will a legal fraud such as is being practiced be possible.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Speaker, there are four reasons why this investigation should be had. First, the appointment of a strong committee of disinterested men will throw the fear of God into the hearts of the thieves who are robbing the people of this country, and in that way stop the stealing that has been and still is going on. That is the first thing.

The second is, that at present the people controlling these committees obtained control through the fraudulent use of the mails, and they have continued to keep control through the fraudulent use of the mails. As soon as the committee puts its fingers on them they will begin to scuttle and try to compromise and may pay back something of what they have stolen. That is the second thing.

The third thing is, these thieves—because they do not deserve any other name—are keeping control of these bondholders, or so-called "bondholders' committees", through one peculiar device. It will be brought out very plainly that these bondholders' committees themselves are self-appointed, from the insiders, every time. They are men who, as a rule, sold these bonds. Many times they did not own a single dollar's worth of the bonds when they began. How do they keep control? By a very simple process. Having the names of all the bondholders, they refuse to give those names to the fellow bondholders, so as to keep them apart and prevent any joint action on the part of the people who are interested in the same issue. Not only have they done that but they have done it successfully and through this means: When the bondholders' lawyers have gone in and gotten an order of court that they shall divulge the names of the bondholders, those men have defied the court by taking an appeal to the higher court, and continue refusing to give them up. A committee with any courage, as this one must have, will get that very list of bondholders and give it to the men who have been robbed and cheated and defrauded and wronged in every conceivable way. They may then have an opportunity to undertake their own protection.

The fourth thing I want to call your attention—you who are so much interested in the cost of it—is: that the bondholders committees have been handling perfectly tremendous amounts of money. And through one scheme or another they have been defrauding the United States Government out of many hundreds of thousands of dollars of income taxes which belong to the people of this country. Whatever you spend for this investigation, if it is carried on honestly and courageously, you will get back manyfold. You will have approximately the same result that you got through the investigation of the stock exchanges of the country. Where you spent a quarter of a million dollars you got back \$250,000,000. Whatever expense is incurred by this will bring back its cost many times over, and there is no possible excuse for not passing this resolution.

(Here the gavel fell.)

The SPEAKER pro tempore [Mr. BLANTON]. The question is, shall the previous question be ordered?

The previous question was ordered.

The SPEAKER pro tempore. The question is on the passage of the resolution.

The resolution was agreed to.

On motion by Mr. SABATH a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

## PRISON INDUSTRIES

Mr. TARVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H.R. 9404, an act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes with Senate amendments, and concur in the Senate amendments with an amendment.

The SPEAKER. Is there objection?

Mr. TABER. Reserving the right to object, Mr. Speaker, I have been over this, and there is one part of it that seems to me to delegate administrative authority to the Comptroller General. The gentleman from Georgia [Mr. TARVER] has suggested that that proviso be stricken out, and that he would move to concur with an amendment striking out that last proviso. With that understanding, I would not object.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 2, line 2, after "Industries", insert "which shall be a governmental body."

Page 2, line 7, after "of" where it occurs the first time, insert "retailers and."

Page 2, strike out lines 22, 23, and 24, and lines 1 to 20, inclusive, on page 3, and insert:

"Sec. 4. The Secretary of the Treasury is hereby authorized and directed, upon the formation of the corporation, to transfer to a fund to be known as the "Prison Industries Fund" all balances then standing to the credit of the prison industries working capital fund. All moneys under the control of the corporation shall be deposited or covered into the Treasury of the United States to the credit of said fund and withdrawn therefrom only pursuant to accountable warrants or certificates of settlement issued by the General Accounting Office. All valid claims and obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation, as operating capital for the purposes enumerated in the said act of May 27, 1930, and in accordance with the laws generally applicable to the expenditures of the several departments and establishments of the Government, and also for the payment of compensation in such amounts as the Attorney General may authorize to inmates of penal institutions or their dependents for injuries suffered in any industry: *Provided*, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended. Accounts of all receipts and disbursements of the corporation shall be rendered to the General Accounting Office in such manner, to such extent, and at such times as the Comptroller General of the United States may direct for settlement and adjustment pursuant to title III of the act of June 10, 1921 (42 Stat. 23), and such accounting shall include all fiscal transactions of the corporation, whether involving appropriated moneys, capital, or receipts from other sources: *Provided, further*, That the Comptroller General of the United States is hereby authorized in his discretion to sanction the use of moneys provided and authorized by law for the operation of such corporation and to allow credit for items not otherwise allowable in accordance with law if and when established to be reasonably necessary to a proper functioning of the legally authorized activities of the corporation."

Mr. TARVER. Mr. Speaker, I move to concur in Senate amendments nos. 1 and 2, and to concur in Senate amendment no. 3, with an amendment striking out the proviso at the end of the amendment.

The Clerk read as follows:

Mr. TARVER moves to concur in Senate amendments nos. 1 and 2, and concur in Senate amendment no. 3 with an amendment striking out the proviso.

The motion was agreed to.

## PUBLIC GRAZING LANDS

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. DEROUEN, CHAVEZ, ROBINSON, ENGLEBRIGHT, and EDMONDS.

## ENROLLMENT OF INDIANS OF KLAMATH INDIAN RESERVATION

Mr. PIERCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1508) providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. PIERCE]?

Mr. MARTIN of Massachusetts. Reserving the right to object, is this a unanimous report from the committee?

Mr. PIERCE. Yes; it is. The Senate has already passed the bill.

Mr. MARTIN of Massachusetts. I have no objection.

There being no objection, the Clerk read as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized and directed to prepare, within 2 years after date of the approval of this act, a complete roll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon who were living on the date of the passage of this act. Upon the completion of such roll it shall constitute the final roll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon for all purposes, including the distribution of tribal lands, funds, or other property now existing or which may hereafter accrue. In the event of the death of any person whose name appears on the roll herein provided for, his interest in any allotment and in the tribal lands, funds, or other property of such Indians shall descend in accordance with the laws of descent and distribution of the State of Oregon; except that if any such person dies without heirs his interest shall revert to and become a part of the common tribal property. The Secretary of the Interior, after due notice and hearing, may remove from such roll any names which are found to have been placed thereon through fraud or error, and he shall cancel the allotment and trust patent of any person whose name is so removed, whereupon the land covered by such allotment and trust patent shall become a part of the common tribal property.

Sec. 2. No person whose name appears upon the tribal roll of any other Indian tribe and who is recognized as a member of that tribe shall be enrolled as a member of any tribe or band of Indians belonging to the Klamath Indian Reservation in the State of Oregon. In case the Tribal Council of the Klamath Indian Reservation shall question the right of enrollment under this act of any person, they may communicate their objections to such enrollment to the Secretary of the Interior, and no name shall be finally enrolled by said Secretary in such case until he has fully determined said objection.

Sec. 3. Any enrolled member of the Klamath or Modoc Tribes or the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon who was living on the date of the closing of the allotment rolls in 1910 but failed to receive an allotment of land, and every person born since that date and living on the date of the passage of this act whose name appears on the final roll herein authorized shall be paid the sum of \$1,500 from available tribal funds on deposit in the United States Treasury, under such rules and regulations as the Secretary of the Interior shall prescribe, in installments not to exceed \$300 per annum.

Sec. 4. That in making said final roll as herein provided for, the Secretary of the Interior shall exclude therefrom all persons who are of less than one-sixteenth degree of Indian blood, except those who are already enrolled at the Klamath Indian Agency in Oregon.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CHAIN STORES DAILY DRAINING LOCAL COMMUNITIES OF MONEY MAKE EFFECTIVE RECOVERY IMPOSSIBLE

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

The SPEAKER. Is there objection?

There was no objection.

Mr. MCGUGIN. Mr. Speaker, any kind of a recovery program which fails to take into consideration the chain-store menace will never accomplish permanent recovery. If the chain stores continue daily to gather in all the profits derived from the sale of the things which the people eat and wear, and immediately transfer this money to central points, it will mean the continued impoverishment of the greater part of the country. As the billions of dollars of relief are spent in the local communities by the Government, it is daily poured into the chain stores and immediately finds its way back to New York or other central points.

The chain store is the instrumentality by which the financial sustenance is sucked out of thousands of local communities of the United States. We have surely found



out by now that there is no way for this country to be a prosperous country and for our people to be happy with the local communities of the United States drained of their money.

The growth of the chain store did an irreparable damage to the thousands of local independent merchants, yet the losses which these men suffer are small as compared with the losses which their respective communities suffer. Then, in turn, as the local communities were impoverished, we found the nation itself impoverished.

The chain-store problem is not alone the problem of the local merchant. He is only a pawn in the game. These are facts which many of us have recognized for many years. Many of us have been outspoken in our views as to the menace of the chain store. Frequently our statements have not been answered by any refutation of the merits of what we have spoken. Frequently our words have been depreciated and personally we have been besmirched by the charge that we were mere radicals. However, in the fullness of time, this matter has become so serious that even Wall Street, the very citadel of wealth, is recognizing the fact that the chain-store system is not only bankrupting local merchants and local communities but is bankrupting all legitimate industry in this country. Even the conservative and reactionary Wall Street Journal has at last recognized the truth. In the issue of May 19, 1934, the Wall Street Journal had this to say:

The fact that home merchants of the Middle West left their balances in home banks to be loaned and circulated in the different individual communities, and that the growth of chain stores paralleled the coming of the depression are of too striking a significance to be brushed aside lightly.

There are various ways in which Congress and the administration can meet the chain-store problem. The truth is, if Congress and the administration will enact legislation which will insure common honesty and fair dealing in business the advantage of the chain store over the local merchant will be largely removed. In the first place there is no reason in the world why the chain stores should be permitted to buy more cheaply than the local merchants. At least, the chain stores should not be permitted to buy from the factories under any better terms than are enjoyed by the ordinary wholesaler. There is no legitimate reason why any manufacturer should be permitted to sell his goods at prices based on quantity in excess of carload purchases. There is no legitimate reason for any lower price in the purchase of 10 carloads of a product than in the purchase of 1 carload of a product. There is no more reason for a cheaper price for 10 carloads of manufactured goods than 1 carload than there would be for cheaper freight rates for the man who ships 10 carloads than for the man who ships 1 carload.

Congress can provide by law that the price by carload shall be the absolute minimum price which the manufacturer can charge and that any lesser price is an unfair trade practice and in restraint of trade. Under such legislation, the local wholesaler then can buy as cheaply as the chain store. The chain store cannot do away with the work of the wholesaler. It must bear the same expense of distributing that a legitimate wholesaler must bear. Therefore, whenever the legitimate wholesaler buying in carload lots can buy on the same terms that the chain store can buy from the manufacturer, then the wholesaler and the local merchant together can place their wares upon the shelf in fair competition with any chain store.

By legislation, the Congress and the administration should provide for standard weights and make it unlawful for any manufacturer to prepare any special size package for chain stores. At this time, practically every article is put into packages of two sizes. One size is the standard size and the other size is from 20 to 30 percent smaller. The ordinary customer does not distinguish between them unless both the standard package and the special package are displayed side by side. The chain stores buy these short-weight packages and sell them to the people and the people believe that they are the standard-size packages. This is a swindle upon the consuming public of the United States. It is an unfair trade

practice and an unfair competition practiced by the chain stores as against their independent competitors.

By legislation Congress and the administration can provide for common honesty and reasonable equality in the purchasing of manufactured goods. When these two things are provided by law, the chain stores will have lost the wholly unfair advantage which they now have over their independent competitors. The chain stores are not now and have never fairly and honestly competed with the independent merchants. The very success of the chain store has been based upon dishonesty, special privilege, and unfair advantage. It is by this policy that the chain store has built up a system which has destroyed thousands of independent merchants, has bankrupt local communities, and has contributed greatly to the present distress of the American people. In other words, it is by this policy that the chain stores have built up the system which even the Wall Street Journal now recognizes and criticizes.

The N.R.A., properly administered, could accomplish these two purposes which I have here said can be accomplished by the Congress and the administration. The N.R.A., through its retail code, could declare it to be an unfair trade practice for any price charged by the manufacturer to be less than the price charged for carload lots. The code could also provide that the manufacturing of special short-weight packages is an unfair trade practice.

The truth is, the entire recovery program has to date failed to take into consideration the menace of the chain store. Until it does recognize and correct the evils which the chain store has brought to this country, the recovery program is bound to fail in meeting its goal. This is not a criticism of the recovery program in the sense that I want to see the recovery program fail. On the contrary, I wish to see the recovery program succeed. It is as a friend of this administration and of this country that I am pointing out the failure to recognize the evils growing out of the chain stores. It is my hope that the recovery program, either by an act of Congress or by the administration of the N.R.A., will recognize this criticism and correct these evils; all this in order, not that the recovery program may fail but that the recovery program may succeed, all for the benefit of all of the people.

#### THE AGRICULTURAL PROCESSING TAX

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

The SPEAKER. Is there objection?

There was no objection.

Mr. DITTER. Mr. Speaker, the informative remarks of my colleague, Hon. JOHN TABER, on The Processing Tax, deserves the consideration of all thoughtful citizens and should command particularly the attention of the people of those States upon whom this onerous measure levies its most severe exactions.

A study of the figures showing the collections from this tax and the benefits paid to farmers thereunder discloses with startling exactness the discriminatory character of the legislation and the price which is being paid by Pennsylvania to enable the advocates of the Agricultural Adjustment Act the privilege of experimenting with the hypotheses of academic theories. From the sheltered atmosphere of the classroom, where the demagogic proclivities of the arbitrary pedagogue awes the timid student, the erstwhile instructor comes into public office and avails himself of the funds of the American taxpayer to establish an extravagant experimental laboratory. Under the guise of promised benefits to the farmers there is foisted, with the protection of an unsuspecting administration, upon the American people a measure, which for profligacy and wanton destructiveness has no equal in the annals of American legislation. With positive disregard of the laws of nature and in defiance of the providences of God, a program is formulated by which the industry of man is to be discarded and the bounties of providential care are to be frustrated. In their stead there is to be substituted a policy encouraging individual idleness and condoning the breach of the ordinances of nature.

By algebraic equations and economic nostrums an effort is made to persuade the frugal farmer to inculcate a theory of birth control into his hogs and to introduce a system of crop control for his harvests. The litter of pigs shall be limited, the milk of the cows shall be reduced, and the harvests of grain shall be circumscribed. Some means must be found to compensate for this wild orgy in the realms of wasteful economic philosophy. Dissipation always demands its price. Profligacy in any form exacts its toll. "Willful waste makes woeful want" is an old adage but one which is still endorsed and accepted as truth by a substantial portion of our American people. There can be no denial of the willfulness of the waste incident to the wanton destruction of crops and the man-made limitations on the productivity of nature. The woefulness of the want is as inevitable as the certainty of the willfulness of the waste.

The tremendous cost of this program of experimentation to the people of Pennsylvania is appalling. I am proud of the agricultural sections of my district, Montgomery County, and of the people who have made these farm-lands productive areas and places of contentment and peace. I contend that for industry, thrift, frugality, and resourcefulness the farmer of Pennsylvania stands second to none in the country. He has contributed not only to the development of the material resources of the land, but by his influence the continued recognition of spiritual values has made a lasting and beneficent impression. It is manifestly unjust and unfair to penalize such commendable traits as industry, thrift, and frugality, traits of character, which have made steady, courageous, persevering citizens, by the imposition of a tax burden of a most iniquitous and inequitable nature. The arbitrary pronouncement from the Agriculture Department to the Pennsylvania farmer means but one thing—the assumption of an excessive tax burden with no compensating return.

The figures of the Bureau of Internal Revenue conclusively bear out this assertion. According to these authentic figures supplied by the Bureau of Internal Revenue, there was collected from Pennsylvania as processing tax under the Agricultural Adjustment Act from July 1, 1933, to April 30, 1934, more than \$8,000,000—to be exact, \$8,029,497.60. Eight million dollars levied on Pennsylvania as the cost of developing a spirit of profligacy and a program of destructiveness among our farmers. For this tribute the farmer of Pennsylvania eked out a benefit of a little more than \$600,000—again, to be exact, \$662,275.09. In other words, for each dollar of benefit or return received under this fantastic scheme of productivity Pennsylvania paid more than \$12.12 as its toll. The net loss to Pennsylvania is the difference between the amount received and the amount contributed, or a deficit of \$7,367,222.51. Dollar for dollar, Pennsylvania is the loser of a tremendous sum. For each day of continuance of this adjustment act Pennsylvania is required to pay its tribute of thousands of dollars.

This can only come from one source—the taxpaying public. It can be laid in only one way—on the shoulder of the taxpayer of our State. There is but one source from which this tribute can be gathered—from the toilers of our Commonwealth. The cost of the Agricultural Adjustment Act to Pennsylvania is definitely proved to be more than \$7,000,000 a year, and for this tribute our Pennsylvania farmer receives the paltry sum of less than \$700,000 in a like period. Can such a cost be characterized in any other way than discriminatory?

The reason for this extraordinary exaction is not hard to find. The same authentic figures from the Bureau of Internal Revenue disclose one State with contributions of \$8,000,000 and the receipt of benefits of more than \$47,000,000; still another with a contribution of less than \$400,000 receiving benefits of more than \$3,500,000; of still another with contributions of less than \$900,000 and benefits of almost \$10,000,000; and still another providing revenues of less than \$700,000 and receiving benefits of more than \$10,000,000.

Certainly such a course cannot long continue as a national program. The infliction of extraordinary penalties on one State and the bestowal of excessive benefits to others must prove disastrous.

Pennsylvania rebels against this unjustifiable imposition of tax for purely experimental purposes. Pennsylvania has always accepted graciously its proper share of the cost of government. Pennsylvania always will discharge with fidelity its national obligations. But Pennsylvania asks that justice and equity be done to her people.

The spectacle of the crumbling ruins of the N.R.A. edifice looms before its architects to mock and to shame them. The progenitors of the Agricultural Adjustment Act can only have as their merited award the derisive condemnation of the industrious, frugal, and fair-minded American people.

#### WE HAVE MADE NO PROGRESS TOWARD RECOVERY

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain tables.

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

There was no objection.

Mr. TABER. Mr. Speaker, I think we should consider just what the situation is in this country, what we are doing for it, and just what the result is, and whether or not we are making progress toward recovery.

	May 1, 1933	May 1, 1934
Number of families on direct relief.....	4,252,443	3,655,000
Subsistence homesteaders.....		600,000
Single persons, 1934, 650,000 (we take one third so as to reduce to families).....		220,000
Number of families getting relief through Civilian Conservation Corps.....		285,000
Number of families getting relief through Public Works Administration employment.....	100,000	387,000
Total.....	4,352,443	5,147,000

And so the number of families receiving support from the Government has increased almost 800,000 in 1 year.

#### Number on Government pay roll

	Mar. 1, 1933	Apr. 30, 1934
Civil service.....	563,487	644,108
Civilian Conservation Corps.....		285,000
Persons employed in public works.....	100,000	387,000
Army.....	132,000	132,000
Navy.....	90,000	90,000
Marine Corps.....	16,200	16,200
Legislative.....	10,000	10,000
Judicial.....	5,000	5,000
Total.....	916,687	1,569,308

Showing an increase under the first 14 months of Democratic administration of 652,621.

There are at the present time 6,000,000 families receiving their support from the Federal Government. At the rate of 3½ to a family, this means practically 20,000,000 persons, or one-sixth of the population of the United States, receiving their support from the Federal Government at the present time.

#### Monthly cost of relief

	May 1933	May 1934
Direct relief.....	\$70,000,000	\$117,000,000
Public works.....	30,000,000	150,000,000
Civilian Conservation Corps.....		30,000,000
Total.....	100,000,000	297,000,000

<sup>1</sup> The figure for direct relief for May 1934 includes only the Federal contribution. Local contribution figures are not yet available. The cost of the British dole at its peak reached \$400,000,000 per year. It is now \$330,000,000 per year, and so the British dole is costing at the present time for 1 year just a little bit more than we are paying or relief for 1 month. This certainly is invidious comparison.

The pledge of the Democratic Party was specific to reduce unnecessary expenses; to abolish unnecessary positions, commissions, and boards; and to reduce the expenses of the people. They have kept this pledge in their usual reckless manner by practically doubling the number on the Federal pay roll and by increasing the expenses of the Government beyond the wildest dreams of spenders of other days. This

reckless extravagance on the part of the Federal Government and this reckless disregard of the Democratic pledges has so destroyed the confidence of the people in the Government that business does not move. People are suffering because of lack of employment, which would be provided if we had a stable, conservative, and constructive policy.

## EXTENSION OF REMARKS

Mr. BANKHEAD. Mr. Speaker, in the absence of the majority leader I took the privilege of conferring with the minority leader in the matter of making a general request for leave to all Members to extend their remarks in the RECORD. With a view of saving time, there being so many Members who desire to make these requests, may I not suggest to the majority leader that he make such a request now?

Mr. BYRNS. Mr. Speaker, I shall be pleased to.

Mr. Speaker, I ask unanimous consent that all Members be given the privilege to extend their own remarks in the RECORD until the printing of the last edition of the RECORD.

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

There was no objection.

## JOHN T. GARITY

Mr. PARKER of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3096) for the relief of John T. Garity.

The Clerk read the title of the bill.

Mr. TABER. Mr. Speaker, reserving the right to object, has this bill been to any committee?

Mr. BLACK. A similar bill was reported by the Committee on Claims.

Mr. BLANTON. Mr. Speaker, may I ask the gentleman from Georgia how much money this bill involves?

Mr. PARKER. It does not involve any—

Mr. ELTSE of California. I can certify to that, for I have examined it.

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

There was no objection.

The Clerk read the Senate bill, as follows:

Whereas John T. Garity, of Savannah, Ga., became surety upon the supersedeas bond of Wilson Jenkins in the sum of \$15,000 to secure the appearance of the said Wilson Jenkins pending a decision on a writ of appeal from the Circuit Court of Appeals of the United States; and

Whereas said Wilson Jenkins failed to answer to the final judgment rendered in said case; and

Whereas the bond signed by the said John T. Garity as surety for the said Wilson Jenkins was forfeited and estreated; and

Whereas the said John T. Garity paid \$2,500 in May 1933 on account of said forfeiture as part payment on said bond; and

Whereas the said Wilson Jenkins was apprehended on June 7, 1933, and then incarcerated in the Federal penitentiary in Atlanta, Ga., and is now in the custody and control of the prison authorities of the United States Government and is serving the sentence for which said bond signed by the said John T. Garity as surety was given for the appearance of said Wilson Jenkins; and

Whereas said \$2,500 paid on said bond is more than sufficient to defray any expense incurred by the United States Government in connection with the apprehension of said Wilson Jenkins: Therefore be it

*Enacted, etc.*, That John T. Garity be, and he is hereby, relieved from all further liability as surety on the supersedeas bond signed by said John T. Garity for the appearance of Wilson Jenkins pending a writ of error from the circuit court of appeals for the fifth circuit to answer to a sentence and final judgment which had been imposed by the United States District Court for the Southern District of Georgia, Savannah division, said bond dated March 29, 1930, and which sentence he is now serving.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## EXTENSION OF REMARKS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a magazine article written by our colleague, the gentleman from New Jersey [Mr. KENNEY].

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

There was no objection.

## DEPORTATION OF HABITUAL CRIMINALS

Mr. DICKSTEIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9725) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes, as amended; the bill (H.R. 9760) to provide for legalizing the residence in the United States of certain classes of aliens, as amended; and the bill (H.R. 8312) to provide adjustment of status of certain aliens lawfully admitted without requirement of departure to foreign country, as amended; and I ask unanimous consent that these three bills may be considered en bloc in the interest of saving time.

Mr. BLANTON. Mr. Speaker, if the gentleman's proposition is a unanimous-consent request to consider these bills en bloc that is all right; but if it is a motion to suspend the rules and pass three bills en bloc, it is a different proposition and should be out of order, for it has never been done before in the House, and would establish a bad precedent.

Mr. DICKSTEIN. Mr. Speaker, my purpose was not to tax the patience of the House with long debate. I am trying to cut it short. I am willing for three separate votes, one on each of the bills.

Mr. BLANTON. Then ask unanimous consent that they be taken up and considered en bloc.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent for the present consideration en bloc of the bills, H.R. 9725, H.R. 9760, and H.R. 8312.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

Mr. DICKSTEIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9725) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes, as amended.

The Clerk read the bill as follows:

*Be it enacted, etc.*, That an alien who entered the United States either from a foreign country or an insular possession, either before or after the passage of this act, shall be deported at any time if he—

(1) Has been convicted of a violation of any State narcotic statute, except an addict who was not a dealer in or peddler of narcotics or their derivatives; or

(2) Has been convicted of two or more crimes involving moral turpitude committed in this country on two or more separate occasions (even if the crimes were not punished by sentences of imprisonment), and the Secretary of Labor finds that deportation of the alien is in the public interest; or

(3) Knowingly encouraged, induced, assisted, or aided another for gain to enter the United States in violation of law, and if the Secretary of Labor finds that deportation of the alien is in the public interest.

Sec. 2. (a) Any alien found to be deportable under this act shall upon the warrant of the Secretary of Labor be taken into custody and deported in the manner provided in the Immigration Act of February 5, 1917 (39 Stat. 874).

(b) For the purposes of this act and all acts relating to the exclusion or deportation of aliens a conviction for possessing or carrying concealed or dangerous weapons shall be deemed a conviction of a crime involving moral turpitude.

Sec. 3. (a) The Secretary of Labor may, in his discretion, allow an alien otherwise deportable under any law to remain in the United States if he is of good moral character, and has not been convicted of a crime involving moral turpitude and has not engaged in subversive political agitation or conduct and if he—

(1) Has at any time been lawfully admitted to the United States for permanent residence; or

(2) Has lived continuously in the United States for a period of not less than 10 years; or

(3) Entered the United States when he was under 16 years of age and has living in the United States a parent who has been lawfully admitted for permanent residence or is a citizen of the United States; or

(4) Entered the United States when he was under 16 years of age, and has lived here continuously for a period of not less than 5 years; or

(5) Has living in the United States a near relative who has been lawfully admitted for permanent residence or is a citizen of the United States.

(b) The burden of proof as to every fact requisite for the exercise of the discretion vested in the Secretary of Labor in the preceding subsection shall be upon the alien.

(c) The Secretary of Labor, at the end of each fiscal year, shall report to the Secretary of State the number of aliens of each nationality who at the time of entry were of the quota immigrant class who have not been admitted to the United States for permanent residence and who, during that year, have been allowed

to remain in the United States pursuant to the authority conferred in the preceding subsection. Thereupon the Secretary of State shall reduce for the next succeeding fiscal year the annual quotas of each nationality under the Immigration Act of 1924 by the number of such aliens of that nationality so allowed to remain. An alien shall not be regarded as having acquired a status of admission for permanent residence because of such reduction of quota or permission to remain in the United States.

Sec. 4. The Secretary of Labor may specifically designate persons holding supervisory positions in the Immigration and Naturalization Service to issue warrants for the arrest of aliens believed to be subject to deportation under this or any other statute: *Provided*, That no person shall act under a warrant issued by himself.

Sec. 5. Any employee of the Immigration and Naturalization Service, under regulations prescribed by the Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall have power to detain for investigation any alien who he has reason to believe entered the United States without inspection. Any alien so detained shall be immediately brought before an immigrant inspector designated for that purpose by the Secretary of Labor and shall not be held in custody for more than 24 hours thereafter unless prior to the expiration of that time a warrant for his arrest is issued.

Sec. 6. The foregoing provisions of this act are in addition to and not in substitution for the provisions of the immigration laws (including section 19 of the Immigration Act of February 5, 1917 (39 Stat. 874)), and shall be enforced as part of such laws.

Sec. 7. Clause (B) of paragraph (1) of subsection (a) of section 6 of the Immigration Act of 1924 (43 Stat. 153), as amended, which grants to quota immigrants, skilled in agriculture, their wives, and their dependent children under the age of 18 years, a preference within the quota, is repealed.

The SPEAKER. Is a second demanded?

Mr. TAYLOR of Tennessee. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?  
Mr. TAYLOR of Tennessee. Yes.

The SPEAKER. Will the gentleman vote against the bill?

Mr. TAYLOR of Tennessee. In its present form, I will.

Mr. JENKINS of Ohio. Mr. Speaker, I demand a second; I will vote against the bill.

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

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

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, this bill is one of a group which the Department of Labor submitted to the Committee on Immigration and Naturalization through its chairman, with a request that early enactment be effected. Hence the committee takes no credit for authorship of this bill or of the other bills, consideration of which has been requested this afternoon.

I understand that these bills are the result of a study made during the past year by a committee of 48 distinguished citizens of the United States selected by the Secretary of Labor for their nonpartisan viewpoints, who were aided by the technicians of the Immigration and Naturalization Service in the Department of Labor.

Let me say at this point that considerable commendation is due to the Secretary of Labor, the Honorable Frances Perkins, for her sincere efforts to secure a true picture of the real facts regarding any humanizing changes that may be necessary in our laws which relate to the aliens within our gates or who seek to come here to join relatives who have been admitted to our country.

Equal commendation is due, for his efforts toward the same ends, to our very able Commissioner of Immigration and Naturalization, Col. D. W. MacCormack. Together, Miss Perkins and Colonel MacCormack have conscientiously endeavored to look upon the general subject of immigration and naturalization as a human problem more than a legal problem. With that end in view, about the time Congress adjourned last June, Madam Secretary designated a committee that has come to be known as the "Committee of Forty-eight." She selected this nonpartisan group of men and women to inquire impartially into conditions at Ellis Island, and the welfare of immigrants generally, and to make recommendations for the guidance of the Department of Labor in this human problem.

The names of the personnel making up this committee reflect great credit upon the Secretary of Labor for her

judgment in the selection of a nonpartisan group. No further comment on this line is necessary than to publish the names of the men and women who made up this committee, under the chairmanship of Carleton H. Palmer, and I submit the list of that committee at this point. In passing I might say that since their appointment three members of the committee have died, namely, Thomas L. Brennock, Sara C. Clapp, John J. Dunn.

Personnel of the Ellis Island committee: Carleton H. Palmer, chairman; Joseph P. Chamberlain, vice chairman; Mrs. Daniel O'Day, vice chairman; Chester H. Aldrich; George W. Alger; Mrs. Vincent Astor; Mrs. George Backer; Dr. S. Josephine Baker; Bruce Barton; Mrs. Linzee Blagden; Thomas L. Brennock; Sara C. Clapp; Harvey Wiley Corbett; Frederic R. Coudert; Mary E. Dreier; Stephen P. Duggan; John J. Dunn; Haven Emerson; Mrs. Kendall Emerson; George G. Ernst; Mrs. E. Marshall Field; Harold Fields; James W. Gerard; Mrs. Charles Dana Gibson; Israel Goldstein; Sylvan Gotshal; Nathan Hirsch; Foster Kennedy; Franklin B. Kirkbride; Arnold Knapp; Max J. Kohler; Mrs. Alexander Kohut; Mrs. Henry Goddard Leach; Read Lewis; Francis J. McConnell; Mrs. Maurice T. Moore; Mrs. Robert E. Merwin; Morgan J. O'Brien; John E. Otterson; Mrs. Carleton H. Palmer; Angelo Patri; Mrs. J. Warren Perkins; William B. Poland; William J. Quinn; Charles E. Sinnigan; Fred B. Smith; George A. Soper; Roger W. Straus; Thomas D. Thacher; C. D. Wallach; Helen Arthur, secretary.

This Ellis Island committee, in addition to the assistance given them by the technical staff and officials of the Immigration and Naturalization Service and of the United States Public Health Service, received the benefits of long experience in immigration problems which had been gained over a period of years, from a group sometimes referred to as the "general committee of immigrant aid at Ellis Island", the personnel of which is as follows: Cecilia Rasovsky Davidson (chairman), Isaac L. Asofsky, Edith Terry Bremer, Florence G. Cassidy, Jane Perry Clark, Raymond E. Cole, Ruth Larned, Thomas F. Mulholland, Carlotta N. V. Schiapelli, Marian Schihsby, David W. Wainhouse, George L. Warren, Aghavnie Y. Yeghenian, Katherine E. Young.

Under date of March 13, 1934, the chairman of the Ellis Island committee, submitted to the Secretary of Labor, the report of the Ellis Island committee upon their researches and study of nearly 12 months of the intricate problems relating to the admission and treatment of aliens at Ellis Island and elsewhere.

I submit that anyone who reads this 149-page report will have a more intimate knowledge of the injustices, hardships, and inequities which the enforcement of our immigration laws inflict on human beings when the general subject of immigration is treated solely as a legal problem with a minimum consideration of the human problems involved. I consider this report of the Ellis Island committee a masterpiece of human understanding, and I wish thus publicly to acknowledge gratitude to the committee for their report and commendation for their unselfish, nonpartisan study of one of the greatest needs of present-day governmental activity.

I just want to quote one or two paragraphs from this voluminous report which I believe may be considered as the key paragraphs:

1. The committee believes, however, that the family constitutes the foundation and strength of our society and that the right of husband and wife, parents and children to be united, cannot be disregarded. We are therefore recommending that proper provision be made for reuniting families. The problem of separated families has been an evil ever since the first quota law was passed in 1921. We believe the time has come to end it.

#### UNITING SEPARATED FAMILIES

There is no doubt that mass immigration in times like these would be unwise. The committee believes that the strict interpretation and enforcement of the "likely to become a public charge" clause has worked out for the best interests of the country and usually of the would-be immigrant. It feels, however, that the economic factor is not the only one to be taken into account and that in the case of aliens seeking to join their families already established in the United States, the human factor deserves at least equal consideration. The integrity of the family is one of the cornerstones of our society and the right of husband and wife, parents and children to be together is not to be disregarded. Numerous cases have been brought to the committee's attention where for no cause except the drastic enforcement of the "likely to become a public charge" clause, the wives, husbands, children, and parents of American citizens have been refused permission to join them in this country. The same is true of the close relatives of aliens who are lawfully resident here. This enforced separation has resulted in broken homes, in

placing a premium on bigamy, in efforts to evade the law, in exploitation, in causing American women and children to become public charges and in unhappiness and suffering out of all proportion to the number of persons involved.

In a country with the population and resources of the United States these cases can be taken care of without in any way impairing the effectiveness of our immigration laws and with due regard for the economic interests of those already here. As a step in this direction the committee welcomes the recent ruling of the Attorney General which holds that the Secretary of Labor has authority under the immigration law to accept a bond guaranteeing that an alien will not become a public charge and that in such a case, an alien may not be denied an immigration visa on the ground that he is a person likely to become a public charge. This is a matter of discretion. In the case of close relations who are able to give such a guaranty the committee believes there should be a definite provision in the law itself.

After this report had been filed by the Ellis Island committee and sufficient time had elapsed thereafter for its printing, officials of the Department of Labor worked diligently under the direction of our able Commissioner of Immigration and Naturalization, in the drafting of proposed bills which the technicians of the Immigration and Naturalization Service felt would carry out many of the primary recommendations for legislative changes which the Ellis Island committee had indicated as most desirable.

In due time I received approved drafts of these proposed measures which were handed to me with the understanding that they were administration measures, and I considered them as such, doing everything I could to expedite their consideration before our committee with as little changes as seemed practicable to obtain the ends desired.

Our committee held extensive hearings on these bills, extending over several days, and I believe everybody who desired to be heard, pro and con, was given an opportunity.

Following the conclusion of the public hearings, the committee considered these bills in executive session, and I honestly believe all the objections that have been raised against the bills were eliminated from them in the form in which they were reported to the House and the form in which you are asked at this time to give your consideration.

Mr. Speaker, I have no quarrel with anybody, nor do I wish to suppress any Member's opinion, but, Mr. Speaker, this bill that we are now considering, H.R. 9725, is a measure that is sorely needed in order to effect simple justice with regard to the human problems involved in handling of the immigration question.

I should like, Mr. Speaker, to discuss at length the provisions of all of the bills recommended by the Department of Labor for early enactment into law, especially those which might be termed "the departmental program", but for the time being I will just say that before reporting these bills to the House, your committee changed the departmental drafts in the following particulars:

First, the bill requested by the Department, which sought to extend the nonquota status to mothers and fathers over 60 years of age, was withdrawn from consideration. Second, the so-called "registry bill", H.R. 9760, eliminated the provision in the departmental draft which permitted registry to persons without a country and who were subject to racial, religious, or political persecution, following 5 years' residence in this country.

Third, The deportation bill was amended so as to make it clear that section 19 of the act of 1917 and all other laws relating to mandatory deportation of criminals, anarchists, and immoral classes, continues to remain in full force and effect, and that the new deportation provisions specified that crimes must involve moral turpitude.

Now, Mr. Speaker, before I endeavor to analyze this present bill for you and the Members of this House, I wish to say that in my office in the House Office Building as well as in my office in New York, I have received thousands of letters from all over the country shortly after the introduction of these departmental bills, urging me to use all of my influence to secure the early enactment into law of these exceedingly meritorious measures. Choosing at random from my files I cite to you just briefly where these letters come from—here is a bunch from New Jersey, another lot from Minnesota, another group from Georgia. Here is a whole file from Illinois. Here is a class from Massachusetts.

Here are two different lots from Pennsylvania. Here is a group of very urgent demands from Missouri; and a lot of people in Virginia want these bills passed. And here is a large group from Texas. And let me call the attention of my colleague from Ohio that a lot of his constituents are anxious to see these measures enacted into law. Yes, Mr. Speaker, I have a bunch here from Connecticut; and there is a whole file from New York and New Jersey. And if I went further down this list, Mr. Speaker, I have no doubt that I could find urgent request that one or more of these measures be speedily enacted into law coming to me from constituents of Members of this House from California, Kansas, Colorado, and the great Northwest.

Just as a sample of what some of these letters contain, with special reference to this special bill we are now considering—I want to quote from a letter I received from an official in the Department of Education of the great Commonwealth of Massachusetts. I quote:

I hope that Congress will enact the bills that Colonel McCormack, of the United States Immigration and Naturalization Service, has urged Congress to adopt. I am particularly interested in three bills which have been favorably reported by your committee. H.R. 9725, which will grant limited discretion to the Secretary of Labor in deportation cases, is as you know a much-needed piece of legislation. So many of these cases present difficult problems of social adjustment for the citizens and resident aliens that are left behind, that it seems only common sense to grant to the Secretary of Labor, discretion to ameliorate these hard conditions.

Now, Mr. Speaker, this correspondence speaks of cases, cases in which hardship results from the application of our immigration laws from the legal viewpoint rather than the human viewpoint.

In this connection credit must again be given to the Secretary of Labor and to the Commissioner of Immigration and Naturalization in their consistent efforts to separate the cases which come before them for deportation proceedings into the meritorious human cases, and the justifiable legal cases. For example, prior to January 1, 1934, the official of the Department of Labor, and perhaps in anticipation that Congress at this session would endeavor to inject a little human kindness in our immigration laws, suspended deportation action in about 665 cases, and of this number about 465 would probably be given the benefit of the discretionary power which this bill, H.R. 9725, proposes to invest in the Secretary of Labor. With the increasing hope that Congress would act in this matter, these suspended cases have been accumulating at about the rate of 100 per month. There are now 1,200 cases held in suspended status.

These cases which have been placed in the suspended class, clearly illustrate as a cross-section viewpoint of all the aliens in the United States, how unjust are some of the provisions of our existing laws. Before citing the facts of some of these for your information, I wish you would note the references which I have made previously in this address, to what I consider the keynote paragraphs of the Ellis Island committee's report—the essence of those keynote paragraphs is the maintenance in the United States of the immediate family circle, which many people consider the real foundation of our civilization and of our American system of government.

The so-called "departmental program" does not seek to open the immigration law; it does not affect a single immigrant seeking to come into this country, except possibly skilled agriculturists. It only seeks to clear up an internal trouble in this country—a problem which affects persons who are already in the United States.

In many of these so-called "hardship cases", the alien involved is a man or woman who came to this country 15 or 20 years ago, who has married an American citizen, and has raised a family of American-born children.

During the last 5 years many of these aliens have applied for American citizenship, and many of them have been surprised to find that upon filing their application for citizenship they were asked, "How did you get here?" and when the records were checked the Government could not find any evidence of entry, so technically he is in this country illegally, and the Department was compelled to issue a

warrant of deportation because when they checked for his citizenship they could not find evidence of his entry. These men are right in this country. They are fine people, they live in fine communities, and I know of at least 100 cases where Members of Congress have come to me and presented the pathetic condition of a certain man who has three or four children and who is going to be deported because some years ago he did not pay a head tax or went across the border. Under the present law the Secretary of Labor has no alternative other than to deport these people and to separate these fine families. The pictures out in the lobby are the best illustration for my argument.

I just want to quote, Mr. Speaker, the statement of facts prepared by the examiners of the Department of Labor with regard to several of the cases illustrated by the pictures which I have referred to on these charts; and, with regard to the alien involved, it is hoped that the discretionary power granted in this bill to the Secretary of Labor might have the effect of maintaining a limited family in this country.

#### SEARCH FOR WORK IN CANADA MEANS YOUTH'S DEPORTATION

The alien entered this country with his mother when he was under 16 and was lawfully admitted. In 1932, because of the depression, he lost his job and decided to seek work in Canada. After 14 months there he returned to his home in Astoria. He did not undergo inspection when he entered and was apprehended near Moores, N.Y., by the immigration border patrol. He must be deported to Scotland. The alien professes that he was ignorant of the formalities incident to admission.

#### DEPORTEE HAS LIVED HERE SINCE CHILDHOOD AND IS HEAD OF AN AMERICAN HOME

A similar case concerns a man who came to the United States with his father when a child and has lived here continuously with the exception of a few months. In 1924 he was arrested and deported. Several months after his deportation he slipped back into the United States. He has married an American woman. They have two children. Last year he attempted to enter the country legally by proceeding to Canada and applying for admission in the regular manner. He was arrested in deportation proceedings. It developed at the hearing that the alien had not only supported his own family but also a homeless woman and her two American-born children.

#### DAUGHTER OF UNITED STATES VETERAN FORCED TO RETURN TO POLAND

An alien was left in Poland when her father came to this country about 20 years ago. In 1932 she came to join her father, traveling on a nonquota visa. Previously, through coercion, the alien had married. She never lived with her husband, however, and the marriage was annulled by ecclesiastical authorities but not civilly. Because of this marriage she was not entitled to a nonquota status. She was admitted as a temporary visitor, but cannot be permitted to remain permanently. The father is a naturalized citizen of this country. He served in the Army from 1913 until 1919 and saw action in France. He has a business in Homestead Park, Pa., and is a respected member of the community.

#### FACES DEPORTATION AFTER 32 YEARS' RESIDENCE HERE

A case of this type is that of a 52-year-old Canadian. This man lived in the United States for 32 years, established a good reputation, and reared a family of five American children. He spent Christmas with his 75-year-old mother in Canada. Shortly after this trip he was admitted to the St. Lawrence State Hospital in Ogdensburg, N.Y., for a mental condition. Notwithstanding his long residence, his filial visit in Canada renders him subject to deportation.

#### AGED FATHER SUBJECT TO DEPORTATION AFTER NEARLY 50 YEARS' RESIDENCE

Another case concerns an alien 68 years old, who spent almost half a century in the United States. He married, established a home here, became the father of several children. In 1930 he went to Canada in search of work. Falling in this he decided to go to the home of his sons in Vermont. He was without funds and had to walk. He crossed the international boundary without being inspected and consequently is subject to deportation, despite the fact that the greater part of his life has been lived in the United States.

Contrasted with these cases in which the deportation of aliens is required under the present immigration law, and in which discretionary power sought to stay deportation, in the interest of continuity of home life and the continuation of the immediate family circle here, I submit, Mr. Speaker, that under existing law there are cases of habitual criminals, aliens who are a menace to the welfare of our several communities, aliens who in many cases have spent most of the time while in the United States behind prison bars, and yet who under existing provisions of the immigration law are immune to deportation, and there is no provision under

the present immigration law whereby the Secretary of Labor can institute deportation proceedings which would remove these aliens from our shores.

As an illustration, I wish to cite the following list of typical cases where deportation is not possible under present law, and which the Department of Labor desires legislative provision as included in this present bill, which would make it possible to compel the deportation under mandatory provisions of the law. I have no doubt, Mr. Speaker, that upon close study of the files of the Immigration and Naturalization Service, a number of cases of similar nature would be disclosed:

#### TYPICAL CASES WHERE DEPORTATION IS NOT POSSIBLE UNDER PRESENT LAW

The alien has lived 27 years in the United States. He has spent 10 years and 3 months in penal institutions, serving six sentences for grand larceny, attempted robbery, attempted burglary, attempted grand larceny, and unlawfully procuring marriage license. Deportation cannot be effected under existing law because he has not, since 1917, been convicted of two crimes involving moral turpitude for which he has received a sentence of more than 1 year.

During his residence of 6 years the alien has served 3 years and 6 months in prison on three convictions for unlawful entry and burglary. He is not deportable because the one conviction for which he was sentenced for more than 1 year occurred more than 5 years after his entry and the other two convictions did not carry sentences for 1 year or more.

This alien has lived here 27 years and has served over 5 years in prison. He has been arrested on 16 occasions and has been convicted of burglary, grand larceny, and possession of firearms. Although convicted of two crimes since 1917, he cannot be deported since one conviction was for the possession of firearms, which the courts have held is not a crime involving moral turpitude, and the other occurred more than 5 years after his entry.

The alien has lived in the country 9 years. He has been imprisoned on three occasions, serving a total period of 1 year and 7 months. His convictions were for shoplifting, possession of burglary tools, and petty larceny. The latter offense was committed after the alien had been in the United States 5 years. For each of the other offenses he received a sentence of less than 1 year; therefore leaving him nondeportable.

The alien's period of residence is not shown. Between the years of 1917 and 1933 he has been convicted 23 times for the offenses of vagrancy, disorderly conduct, and intoxication. In each instance he received a sentence of less than 1 year, and therefore is not deportable.

In 17 years of residence in the United States this alien has six convictions for vagrancy, disorderly conduct, indecent exposure, possession of drugs, and violation of parole, for which he has served over 4½ years. The conviction for the offense of possessing drugs was under a State statute, leaving the alien nondeportable.

#### GANGSTERS AND RACKETEERS

Although deportation laws might be forged into a powerful weapon to curb the activities of gangsters, racketeers, and other criminals, they are at present inadequate in this respect. Failure to make greater headway in ridding the country of alien criminals has given rise at times to serious criticism on the part of those unfamiliar with the technicalities and loopholes in the existing law which permit undesirable aliens to evade deportation.

While we are trying to give some vested right to the Secretary in cases such as I have explained to you, where we should forgive and allow the man who is supporting a family of 3, 4, or 5, and who has committed no crime at all, because he must be morally and physically fit, and in the same bill we are strengthening our deportation law.

That is to say, Mr. Speaker, we are adding four more sections to the law which are going to rid this country of racketeers, dope peddlers, and alien gunmen who, under the present law cannot be deported because under the law, as it stands at the present time, a person can only be deported when he commits two felonies and suffers a conviction of 1 year and 1 day, and he must serve the sentence. Of course, I refer to aliens. We have thousands of aliens in this country, however, who have been here for 15 or 20 years, as these charts will show, who have committed all sorts of crimes and who are smart enough to plead to a misdemeanor, and under the present law we cannot pick them up. So, in one bill you are doing justice to a lot of fine men and women who by some technicality are compelled to be deported under the present law, but in the second breath you are going to rid this country of alien racketeers which is not provided for under the present law.

Mr. MOTT. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Oregon.

Mr. MOTT. Did I understand the gentleman to say that a person who had entered this country without paying a head tax could not be permitted to pay it upon application for naturalization?

Mr. DICKSTEIN. No, sir; not under the present law.

Mr. MOTT. May I say to the gentleman that I practiced law in Astoria, Oreg., for 12 years, where we have hundreds of naturalization cases every year. I personally have had naturalization cases for many aliens who did not pay the head tax, and where there was any reasonable excuse for their not paying, in almost every case they were permitted to pay the head tax.

Mr. DICKSTEIN. That was done away with in the 1924 act that we passed and made a permanent law.

Mr. MOTT. Some of these cases I refer to were subsequent to 1924. That is the reason I asked the question.

Mr. DICKSTEIN. After 1924 they are practically all deportable. You will find cases on these charts where men have been here for 20 years. When they applied for citizenship, they could not find their record of entry, and the first thing you know the Department is compelled to pick them up as persons that cannot establish their legal entry. You are going to take this man away from his children, outside of the fact he did not pay the head tax. You have to take these children and the wife and send them to all parts of the world, and I say, will not you please look at the condition as it is and give the Secretary some power in order to relieve these cases?

Mr. MOTT. May I say to the gentleman that in my own experience the facts as I have found them are not in accordance with what the gentleman has stated, because in connection with the handling of many of these naturalization cases I found if for some reason the applicant for naturalization did not pay his head tax, where he was otherwise qualified for citizenship, the immigration authorities allowed him to pay the head tax and go ahead with his application.

Mr. DICKSTEIN. I told the gentleman a moment ago that that has not happened since 1924. We did do that before, but since 1924 it has not been permissible.

Mr. MOTT. And I am telling the gentleman it has been done subsequent to 1924.

Mr. CARPENTER of Kansas. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Kansas.

Mr. CARPENTER of Kansas. In verification of what the gentleman has stated, may I state that I had a case in my community of a young man that came from Canada, married a local girl, raised a fine family, and had a farm stocked up. He went back to Canada to visit his folks and then was denied reentry into this country. He lost his farm and everything else, and now they are stranded.

Mr. DICKSTEIN. Yes; there are 465 such cases; and if you deport the 465, the deportees will leave 987 relatives stranded in this country, and of these it is estimated that, perhaps, 665 will probably become public charges. Congress should correct these senseless and cruel provisions of the law.

This element, Mr. Speaker, is often overlooked when the question is raised regarding the desirability or undesirability of deportation proceedings. I mean the effect upon those whom the deportee leaves behind. In times of economic stress, many times the deportee is the sole support of a family, which may consist of four or five hungry mouths, which must be fed from public or private charity if the breadwinner is deported. Why should the breadwinner be deported if his deportation results from only a legal technicality with utter disregard of the human effect of a separation of a family? This bill, Mr. Speaker, would solve some of these difficulties, because Congress, as the representative body of the people of the several communities of this great country, would delegate to the Secretary of Labor—a trusted member of the President's Cabinet—a well-defined, limited discretion which would enable that officer to take official cognizance of the human element in individual cases and preserve the family circle.

Mr. CARPENTER of Kansas. I hope the gentleman gets his bill through.

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

Mr. DICKSTEIN. I yield.

Mr. BOLAND. Referring to the cases to which the gentleman has referred, I believe there are more of these cases of injustice in the anthracite coal fields than in any other part of this country. This has been my own personal experience with respect to such cases, and I shall support the gentleman's bill because I think there is a great deal of justice in it.

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

Mr. DICKSTEIN. Yes.

Mr. DUNN. The bill which is now before the House will correct the situation to which the gentleman has referred.

Mr. DICKSTEIN. Yes.

Mr. Speaker, I reserve the balance of my time.

Mr. JENKINS of Ohio. Mr. Speaker, I yield 8 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, hearings were conducted on the original bill, H.R. 9336, which is very similar and not materially different from this bill.

In the first place, I want to say, in case there is any whispering that the President is for this bill, the President has not endorsed this bill and it is not an administration bill. I want to say this because in practically every instance—

Mr. LANZETTA. Is not this a department bill?

Mr. DIES. It is a bill framed by Secretary Perkins and by Commissioner MacCormack, but this is not an administration bill in the sense that the President of the United States is for it.

What do they propose to do in this bill? Here is a bill on which we conducted hearings and every patriotic organization in the country opposed it, including the American Federation of Labor, the American Legion, and over 100 other patriotic organizations, and the only ones who appeared in defense of this measure was the Ellis Island committee, composed of people in the city of New York, and the Commissioner of Immigration, who appeared in behalf of the bill.

Now, what does it propose to do? Here is what it proposes to do. It proposes to give the Secretary of Labor discretionary power to prevent deportation in cases where now they must be deported. It proposes to say to the Secretary of Labor that although the alien is subject to deportation, yet if the Secretary of Labor believes that it is in the public interest, if the Secretary of Labor believes that the man has a good moral character, she can withhold deportation. And they say this is a limitation and a check on discretion, but I submit to you there would be no way in the world to correct an abuse of such discretion, for what one man might consider in the public interest, another man might not consider in the public interest, and I am opposed to this bill because I do not propose to continue to give vast discretionary power to bureaucrats and to officials of this Government, especially in cases of this kind. When we want to deport someone, why not write it on the statute books and not make it discretionary with the Secretary of Labor to do so?

Under this bill they provide that if a man has committed two or three more crimes involving moral turpitude, he is subject to deportation if the Secretary of Labor finds that it is in the public interest, and if a man is smuggling aliens into the country he shall be deported if the Secretary of Labor finds it in the public interest, and if a man is carrying a dangerous weapon, under this bill the carrying of such dangerous weapon is construed as a crime involving moral turpitude, and he is subject to deportation.

Mr. LANZETTA. Will the gentleman yield?

Mr. DIES. Let me finish my statement. You can talk in your own time. I am getting time from the other side.

You say there are hardship cases, yet in the hearings before the Immigration Committee, I got the State Department to admit that only 2 percent of the relatives are being denied entrance to the United States. Think of that remarkable fact. Of all the relatives that are applying for admission to be reunited with their families, the facts are uncontradicted in the hearings—if the hearings had been printed—that only 2 percent of them are being denied.

They say there are 575 hardship cases. I do not know whether these are hardship cases or not. They appear to be from reading what someone wrote here.

Now, how many are there? We have been deporting 20,000 people until the past year when, I think, it fell to 14,000. Now, what did the Commissioner of Immigration admit? He admitted that there were only 5 percent that he considered hardship cases, and he has withheld deportation in six-hundred-and-some-odd cases where he considers it would be a hardship to deport them, and he says of that number approximately five-hundred-and-some-odd are hardship cases, and that is 5 percent; and some of these are carry-overs from the previous year. So only a small percentage of the total number subject to deportation, according to the Secretary, are hardship cases.

Now, it may be that the Secretary of Labor, in the exercise of discretion, might be just and might have in mind the interest of the country. I believe this is true, but what guarantee have we that when administrations change we will not, during one administration, have a so-called "liberal." I regard Miss Perkins as a liberal on the immigration question. I do not think her views coincide with my views on this question.

I am not criticizing or condemning her, but I object in all these classes, 1, 2, 3, 4, 5, 6, 7, and 8, to permitting the Secretary of Labor, who would delegate authority to some assistant, to sit there and say, here is an alien who has violated the laws of this country, here is an alien who is subject to deportation under the present law, and yet we are not going to deport him. What is going to happen? You know that political pressure will be brought to bear on the Secretary of Labor and the Commissioner of Immigration. You know in cities like New York and Chicago, with these aliens not wanting to be deported, working through political influence and alien organizations, they will bring to bear great political pressure on the Secretary, not to deport him and you know, further, that whenever you leave this matter to the discretion of the Secretary of Labor, you are treading on dangerous ground. We have gone pretty far in giving discretion to secretaries and executive officials.

Heretofore we have confined the delegation of this particular discretionary power to a year or 2 years, with safeguards and guarantees. When I had my bill before the committee, and that was endorsed by the restrictionist organizations in the country, providing for the reduction of quota, one provision of that bill was to permit reuniting families within the quota; but that was killed in the Immigration Committee, and the gentleman from New York [Mr. DICKSTEIN] voted against it, and he has publicly stated so. When they talk about being in favor of restriction of immigration I say to you that this bill is not right, it is not the proper procedure, and the effort behind it is an effort to give to the Secretary of Labor the power to say who shall be deported and who shall not, and all this talk about checks and balances and limitations is nonsense.

What do you call "of public interest"? That is a great check! Moral character! What is moral character? One may be considered as having a moral character in New York who in my country would not be, and the reverse is true, one in my country who would be considered as having a moral character might not be considered to have one in New York. There are different standards.

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

Mr. DIES. Yes.

Mr. MAY. Is it not a fact that under section 3 of this act the worst sort of a red from Russia might come across into Canada and have a relative across the line and slip over there and make his residence there, and, in the discretion of the Secretary, he might be permitted to remain?

Mr. DIES. I do not know what the Secretary is going to do, but I do not propose to write on the statute book a law giving the Secretary discretionary power to act in these cases. [Applause.]

Mr. McFADDEN. Mr. Speaker, this bill, if enacted into law, would in effect repeal the mandatory provisions of all laws regulating the deportation of aliens in the Immigra-

tion Acts of 1917 and of 1924 and make deportation optional with the Secretary of Labor, and although section 6 of the bill provides that it is an addition to and not in substitution for the provisions of the immigration laws, including section 19 of the Immigration Act of February 5, 1917, it is misleading, to say the least, in view of the language of section 3 of the bill. Section 19 of the act of 1917 provides that aliens entering who at the time of entry belonged to the excluded class, aliens entering illegally, aliens advocating the overthrow of the Government of the United States by force, aliens becoming a public charge, within 5 years after entry their cases not affirmatively shown to have arisen subsequent to landing, and certain specified classes of criminals, as well as other classes of aliens, shall, upon warrant of the Secretary of Labor, be taken into custody and deported.

Section 3 of the bill, however, clearly nullifies this mandatory language with respect to six enumerated classes of aliens, otherwise deportable, and permits the Secretary of Labor in her discretion to allow them to remain in the United States, provided only that she finds them to be of good moral character and not convicted of moral turpitude, or crimes and not to have engaged in subversive political agitation. It is to be noted that this last qualification would still permit the Secretary to allow an alien to remain who was known to be a member of an organization whose avowed purpose is to overthrow the Government by force, which is clearly not permissible under the present laws making such persons mandatorily deportable.

A careful examination of the six subdivisions of section 3 (p. 3 of the bill) will show that they cover a vast majority of all deportable aliens. From the wording of clauses (1), (5) it is quite clear that illegal entrants are not regarded as those whom the Secretary may not allow to remain as not being of "good moral character", for they obviously relate in several instances to persons who have "entered the United States" in any kind of way; this notwithstanding that under present law illegal entry is a prison offense.

Generally speaking, and excepting persons convicted of crimes involving moral turpitude, clause (1) makes it discretionary with the Secretary to keep in the country all those classes now mandatorily deportable, although legally admitted; and clause (5) allows him to retain here the great majority of the illegal entrants, since it covers every alien who has a near relative who was legally admitted to the country or who is a citizen. This means about four-fifths of all aliens in the country, since the annual reports on immigration for years back show that this proportion of all legally admitted immigrants come "to join relatives." Thus, it clearly appears that the aliens whose deportation would remain mandatory under the misleading language of the bill would be a negligible number.

Clause 3 of section 3 would make a new statute of limitations for the deportation of aliens. Under present law no immigrant who entered legally since the first quota law was passed in 1921 is rendered immune from deportation by mere lapse of time. The clause in question would change this radically and would make an alien entering at any time nondeportable in the discretion of the Secretary of Labor, provided he has succeeded in hiding out for 10 years or has not been attended to by the authorities whose duty it was to deport him within that time.

The amendment of 1929 drawing the line at entrants before 1921 for those who could gain immunity from illegal entry, was professedly passed to take care of a considerably large number of immigrants who in fact had entered legally but whom our officials failed to register. Therefore, theoretically at least, there is no general statute of limitations as to legal entry at present. This is as it should be, for the continued residence in this country of an alien who entered in violation of our laws is a continued defiance of those laws and there can be no greater encouragement to illegal entry—the Achilles' heel of all immigration restriction—than condoning the act itself.

Clause 6 of section 3 would permit an illegal entrant to gain Executive clemency and escape deportation by giving evidence against another illegal entrant.



Clauses 4 and 5, although less important than those already referred to, would have the effect of actually separating families by allowing the alien children under 16 smuggled into the country by their parents to remain here while the parents (who presumably had entered illegally at the same time) might be deported.

Section 3 alone—the heart of the bill—is so destructive of our whole system of immigration restriction as to make it incumbent upon all Members of Congress who are sincere restrictionists to vote as one man against it.

I submit to the Membership that we should not repeal these mandatory provisions of the acts of 1917 and 1924 and permit decision on such important matters to lie with the Secretary of Labor.

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

Mr. McFADDEN. I cannot yield.

Mr. DICKSTEIN. I will give the gentleman a minute to answer the question.

Mr. McFADDEN. Very well; I yield.

Mr. DICKSTEIN. I want to assure the gentleman that we do not repeal one single section of the deportation law. We are adding four additional sections for deportation, and I challenge the gentleman to deny that fact.

Mr. McFADDEN. I deny that fact and with the gentleman's own language. The law is being deliberately weakened to permit easy entry of one class of foreigner. I shall prove that his one purpose in the passage of this bill is to permit Jews from Germany to come in great numbers into the United States.

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

Mr. McFADDEN. I ask the gentleman to yield me that minute now.

Mr. DICKSTEIN. I yield the gentleman 1 minute.

Mr. McFADDEN. Mr. Speaker, I want to say to the gentleman from New York [Mr. DICKSTEIN] that on March 18, 1934, in Chicago, in a broadcast before the Jewish Immigration Relief Society over radio station WENR, he is said to have stated that he deplored the fact of the bars against aliens coming into this country, as it was a fundamental of American doctrine to welcome the oppressed peoples of the world and give succor to the needy. He said further that as drastic as the quota law was before Hoover came into office it became much worse under his orders, and he said that every Jew in Germany who wanted to come here would come under the law of exclusion as it is now read, because no matter how wealthy they had been over there Hitler would not let them take out one cent of their money, and that Hitler was confiscating their property. He stated that Hitler would not grant passports to these refugees nor would he allow them to stay on German soil. He said, "Therefore we Americans must change our law to make it possible for them to come here at once, as there is no other country where they can go." He said further that Hitler's persecution of the Jew was growing rather than diminishing, and soon these brothers, sisters, fathers, and mothers of ours will be murdered unless we immediately make it possible for them to leave. He said, "You Jews know that money for these poor oppressed Jews isn't keeping them out of America. Our people here are generous and will take care of that, but it is the law which we must change."

He said further that there had developed a lot of opposition to the plan of having guaranty bonds put up to assure the Government that these people would not become public charges, and that this opposition must be overcome. He said that Germany owes all her culture and her great progress to the Jews; that Germany could not exist as a nation without the Jews, nor could America. He said that most of those coming here would be men like Einstein, men of outstanding achievement, and so forth. He said that no time was to be lost in getting action on this matter, and that he pledged himself to work untiringly for the passage of a law that would allow these brethren a quick relief and welcome to our shores.

I submit that the gentleman from New York [Mr. DICKSTEIN], in this radio talk to the Jewish Immigration Relief

Society, had reference to this bill H.R. 9725, which is now under consideration, and I further point out that his expressions are clearly indicative of the sole purpose of this bill—namely, to permit Jews from Germany to have an unhindered entry into the United States. And I submit that the new four additional sections for deportation are placed in this bill for the sole purpose of giving the Secretary of Labor the right of determination without review as to what deportation should be made, and weaken the provisions of the immigration laws of 1917 and 1924. These laws should not be modified by giving this great discretionary power into the hands of any one person, particularly one that we now know to be a nonrestrictionist and one who is responsive to the fullest degree to those of the type of the gentleman from New York [Mr. DICKSTEIN], who want to make easy entry for German Jews to come into the United States.

Mr. SABATH. Is the gentleman reading from his speech?

Mr. McFADDEN. I am reading from the gentleman's [Mr. DICKSTEIN's] radio speech delivered at Chicago, March 18 last. I will put the rest of it in the RECORD. It was delivered in the gentleman's own city of Chicago before the Jewish Immigration Relief Society at the Stevens Hotel.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. McFADDEN] has again expired.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to complete the answer to the question asked.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McFADDEN. Mr. Speaker, I desire to call your attention to the fact that the gentleman from New York [Mr. DICKSTEIN] in his desire to amend the immigration laws, as this bill provides, to permit Jews from Germany to freely enter the United States, is supported by a national, if not an international, movement which is participated in by practically all of the Jewish organizations in the United States which organizations are tied in with a world-wide organization to move Jews out of Germany not only into the United States but to Palestine and to other countries. This organization was created under the auspices of the League of Nations, and its head is James G. McDonald, formerly president of the Foreign Policy Association of New York, who is now actively engaged in finding a domicile for German Jews. These efforts are tied in with the organization known as the "International Boycott on German Goods", the head of which is Mr. Samuel Untermyer, of New York—a retaliatory method of protest aimed at the present German Government, which boycott, if it fulfilled its purpose, would destroy the present German Government.

Another movement closely associated in this enterprise is that of the National Conference of Jews and Christians, of 289 Fourth Avenue, New York, co-chairmen of which are Hon. Newton D. Baker, Prof. Carlton J. H. Hayes, and Mr. Roger W. Straus. This is a national organization instigated by the international Jews in the United States having for its purpose the uniting of Gentiles, Catholics, and Jews in protection of the movements which are now being organized throughout the United States in support of the Jewish plan, whatever that may be.

In furtherance of the promotion of the activities along these lines, and as a further protest against the present German Government, the Chairman of the Committee on Immigration last year began an unauthorized investigation of what he termed "Nazi activities" in the United States. I would call your attention also to the fact that the activities of the various Jewish organizations supplementing these activities have resulted in the creation of a special committee of the House of Representatives appointed by the Speaker, and this committee are now engaged in the investigation of these activities and communistic and any other organizations that may have for their purpose the overthrow of our present form of government.

I mention this for the purpose of showing the far-reaching importance of this proposed amendment to the immigration laws of the United States. It is an integral part of a whole scheme.

Mr. DICKSTEIN. Mr. Speaker, I am very much surprised at the statement made by the gentleman from Pennsylvania. I said to the gentleman, if my understanding is correct, this proposed law which you are being asked to pass, does not take away one solitary provision of the present law. It adds four new sections to the present law, which would include certain groups of aliens for deportation; that is, there are four additions to the present law. Nothing is being repealed.

Now, let me call attention to this fact: I say to you, and I mean it in all sincerity, that all of these men and women whose photographs you see here have not committed a single crime. Not one of them has committed a crime. They have been here for possibly 15 years. The only reason they are not now permitted to remain is because they failed to comply with certain technicalities of the law. Not one of those people has violated our criminal laws. They are in communities well respected by American people. All this law provides is to put some elasticity or some power somewhere. It should be given to the Secretary to say that if a person has committed no crime, aside from the fact that he has not paid the head tax, he should be allowed to remain in this country.

I ask the gentleman from Pennsylvania [Mr. McFADDEN], if he is prepared to deport these 1,200 heads of families and leave these fine women and children a burden upon the community.

Mr. McFADDEN. Will the gentleman yield?

Mr. DICKSTEIN. In just a minute. Now, let me give an illustration. Here is a 9-year old boy who was brought to this country by his mother when he was an infant. The mother, a native of Canada, secured entry for herself but not for her boy. The boy's father has been ordered deported to Rumania. The Department is compelled to issue a warrant of deportation against this infant who has been in this country most of his life. That boy must be deported, taken from his mother, who is now a citizen of the United States. The mother must be separated from either husband or son. Now, Members, you do not want things like that to go on. What you want is to clean house in this country. Get rid of the alien racketeers, the alien gunmen, the alien dope peddlers, and then you will be doing something for your country.

I appeal to you in the name of these families to pass this law.

I desire to read at this point of my remarks a brief analysis of these three departmental or administration bills and to call your particular attention to those parts of this description which give detailed information about the provisions of this bill now under immediate consideration (H.R. 9725).

#### THREE BILLS ADVOCATED

H.R. 9725. A bill to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes.

H.R. 9760. A bill to provide for legalizing the residence in the United States of certain classes of aliens.

H.R. 8312. A bill to provide adjustment of status of certain aliens lawfully admitted without requirement of departure to foreign country.

These bills are designed to strengthen the hands of the Government in dealing with undesirable aliens, particularly those of the criminal classes, and to guard against cruel and unnecessary disruption of families and the infliction of undue hardship upon people innocent of wrong.

In order that there may be no misunderstanding as to the purposes of these bills, I wish to point out at the outset—

(a) That the present laws with reference to anarchists and the immoral classes remain unchanged and that no discretion to avert deportation is requested in such cases.

(b) That no discretion to avert deportation in the case of criminals is requested. The present mandatory laws remain unchanged. There are, moreover, certain new provisions which will enable the deportation of many alien habitual criminals who now escape due to the loopholes in the present law.

(c) These bills do not—

(1) Involve any departure from the present policy of strictly enforcing the "likely to become a public charge clause" of the present acts.

(2) Affect in any way the selective and restrictive immigration policy of the United States.

(3) In any way add to immigration. It is expressly stipulated that for each quota immigrant permitted to remain there shall be a corresponding reduction from the quota of his nationality.

#### H.R. 9725—DEPORTATION BILL

1. Maintains section 19 of the act of 1917 and other provisions of existing law re alien criminals in full force.

2. Adds four new provisions giving the Government a stronger weapon than any it has heretofore possessed to enable the deportation of the criminal alien.

Section 1, page 1: Subjects violators of State narcotic laws to same deportation penalties as violators of Federal laws.

Section 1, paragraph 2, page 2: Permits the deportation for two crimes involving moral turpitude if in public interest, even if not involving sentence of imprisonment. (This is in addition to present mandatory provisions.)

Section 1, paragraph 3, page 2: Permits deportation if in public interest of aliens who assist other aliens to enter illegally.

Section 2 (B), page 2: Brings convictions for carrying or possessing concealed or dangerous weapons within provisions of immigration laws by deeming "conviction of crime involving moral turpitude."

Section 7, page 5: Another loophole in present law is closed by elimination of present preference to agriculturists, which has been subject to grave abuse.

Section 3 (A), pages 2 and 3: Provides the Secretary of Labor, in a limited group of cases confined exclusively to persons of good moral character who have not been convicted of a crime involving moral turpitude, with discretion with reference to deportation, primarily with a view to avoiding the unnecessary separation of families; limited to persons once legally admitted, persons having 10 years' continuous residence, children entering under 18 years, persons having near relatives.

Section 3 (C), pages 2 and 3: Aliens permitted to remain charged to quotas of nationality.

Section 4, page 4: Authorizes Secretary of Labor to designate persons holding supervisory positions in the Immigration and Naturalization Service to issue warrants. This would place responsibility where it belongs and provide more effective enforcement.

Section 5, pages 4 and 5: Authorizes designated inspectors of Immigration and Naturalization Service to detain for 24 hours pending issuance of warrant aliens believed to have entered without inspection. This will immeasurably assist Service in effecting deportations. (At Del Rio, Tex., 84 warrants requested; 72 aliens escaped before arrival.)

Section 6, page 5: Specifies that the provisions of this act are in addition to and not in substitution for the present laws.

#### H.R. 9760—REGISTRY BILL

Provides for registration of aliens in whose case there is no record of admission for permanent residence who: (1) Have resided here 10 years; (2) are persons of good moral character; (3) are not subject to deportation or are permitted to remain under such authority as may be granted the Secretary of Labor.

If law permits alien to remain, little justification for denying opportunity for citizenship.

Best interests of country served by eliminating large group of unregistrable aliens who are part of permanent population.

#### H.R. 8312—CHANGE OF STATUS BILL

Permits aliens legally admitted for temporary residence who subsequently become entitled to nonquota or preference status to adjust their status without necessity first leaving country.

In quota cases deduction made from quota of nationality. Beneficiaries must prove they are eligible for admission and pay head tax and visa fees as though entering from abroad. Sample case: Alien admitted as visitor or student. Marries American citizen. Becomes entitled to nonquota status. Present law provides that she must actually leave the country to obtain benefit of nonquota status. This is pure formality. Causes needless expense, suffering, and hardship.

#### DISCRETIONARY CASES UNDER H.R. 9725

Deportation suspended to July 1—Approximately 100 per month since May 1933. Approximately two-thirds, or 800 to 900, would be given benefit of discretionary power, others required to depart. Every case prior to January 1, 1934, has been reexamined.

Total suspended prior to January 1, 695. Reexamination indicated that it would be unlikely that discretionary power would be exercised in more than 465 cases, representing 546 individuals.

Should these 546 persons be deported, they will leave behind them in the United States 987 members of their families, of whom 838 are United States citizens, children and adults.

Six hundred and sixty-five of those left behind are dependent on the deportees for support and would, in all probability, become public charges—approximately four public charges for each three deportees.

A final proof of the futility, aside from the cruelty of such deportations, lies in the fact that 439, or 80 percent, of the deportees in this group would immediately be eligible to return to the United States in a nonquota or preference status.

Considering such deportations in the light of the interest of the United States, it is clear that they represent merely a useless and costly formality. From the point of view of the aliens concerned and that of their dependents, deportation in such cases is a tragedy, involving the disruption of homes and in many cases the permanent separation of families.

It should again be emphasized that discretionary powers cannot be employed under these bills in the case of the criminal, anarchist, or immoral classes, and that the only possible beneficiaries would be persons of good character who have not been convicted of crimes involving moral turpitude and who, for the most part, are guilty of only technical violations of the law.

## SUMMARY

Deportation bill (H.R. 9725).

Registry bill (H.R. 9760).

Change of status bill (H.R. 8312).

1. Mandatory provisions re criminals, anarchists, immoral classes remain in full force.

2. No change re l.p.c. or restrictive or selective policy. No increase in immigration. Deduction from quota.

3. H.R. 9725, stronger than any existing law.

(a) Violators of State narcotic acts.

(b) Deport for two crimes involving moral turpitude without regard to sentence.

(c) Convictions carrying or possessing concealed or dangerous weapons, moral turpitude.

(d) Eliminates agricultural preference.

(e) Issuance warrants by supervisory officers.

(f) Permits detention illegal entries 24 hours.

(g) Discretion to permit to remain in cases of persons of good character not convicted of crime primarily to avoid separation of families.

(h) All aliens permitted to remain charged to quota.

4. H.R. 9760 permits registry persons here 10 years, good character, not subject to deportation, or who have been permitted to remain.

5. H.R. 8312 permits persons eligible to nonquota or preference status to adjust without leaving country.

Mr. BOYLAN. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. BOYLAN. This power is to be placed in the hands of a Cabinet officer?

Mr. DICKSTEIN. Yes, sir.

Mr. BOYLAN. Who is appointed by the President of the United States?

Mr. DICKSTEIN. Yes; the only trouble is that my good friends on the other side are afraid to trust Miss Perkins. They are afraid she will abuse this power.

I will say to them, Mr. Speaker, that this bill speaks for itself as to her desire to enforce the policy of deportation. She has put into this bill four new classes of aliens who will be subject to mandatory deportation proceedings. That answers conclusively the question as to whether or not she is a restrictionist on immigration matters.

Her action in seeking a thorough study of facts by the nonpartisan committee of 48 before adopting any change of policy in the enforcement of the existing immigration laws clearly shows she can be trusted with this discretionary power this bill seeks to vest with the Secretary of Labor.

Mr. BYRNS. I did not intend to say anything on this bill, but I was just called to the telephone by the Secretary of Labor who said she understood it had been stated that these were not administration measures. The President has not said anything to me about them, I am frank to say, but the Secretary of Labor asked me to say that the President had expressed a very great interest and his very great desire to have all three of these immigration bills passed. She said that this deportation bill, in her opinion, was the most important and most necessary of all the bills.

Let me read to you a letter from Commissioner MacCormack. Those of you who know him will recognize that he is not only a splendid gentleman, but he is a splendid officer of this Government. I will put the entire letter in the RECORD.

UNITED STATES DEPARTMENT OF LABOR,  
IMMIGRATION AND NATURALIZATION SERVICE,  
Washington, June 15, 1934.

Hon. JOSEPH W. BYRNS, M.C.,  
House of Representatives, Washington, D.C.

MY DEAR MR. BYRNS: The present immigration laws permit some of the most dangerous alien criminals to escape. A check of arrests in a 15-day period in two cities disclosed 235 alien habitual criminals not subject to deportation. These included men charged with such offenses as murder, homicide, grand larceny, counterfeiting, enforced prostitution, and debauching the morals of minors.

On the other hand the existing law deals with almost barbaric severity with persons of good character. Husbands are torn from their wives, children from their parents or guardians. Families are dispersed to three or more countries, the father to one country, the mother to another, and the children to a third. The Siberian exiles of Czarist Russia offer the nearest parallel in modern times to the deportation laws and policy of this country in recent years.

There is legislation now before the Congress which will go far toward remedying these conditions.

H.R. 9725 will provide the Government with stronger weapons than any now possessed for dealing with the alien habitual criminal. It also provides limited discretionary powers to avert the separation and dispersion of families in the case of persons of good character.

H.R. 9760 enables the registration of persons of good character who have been here 10 years and who are not subject to deportation or who may be permitted to remain.

H.R. 8312 permits persons who are here on a temporary permit but who may acquire a nonquota or preference status (for instance a student who marries an American citizen) to change their status to that of permanent residence without imposing upon them the useless and costly formality of going back to their own country and returning with an immigration visa. These proposals involve no departure from our restrictive immigration policy. They involve no increase in immigration—each quota alien permitted to remain is charged to the quota of his nationality.

They involve no slightest liberalization of the deportation laws respecting criminals, anarchists, or the immoral classes; on the contrary, greater severity than ever before in the expulsion of the alien criminal.

The projects of law now submitted to the Congress were drafted not by or at the behest of any alien group but by the technicians of the Immigration and Naturalization Service and based on their investigations and those of a nonpartisan group who have considered this problem with a view to our national honor and welfare and without racial, religious, or political bias.

There is no inconsistency in the unrelenting prosecution of the alien criminal who constitutes a menace to society while tempering justice with mercy in dealing with the alien of good character.

The present laws admit of no such discretion being exercised. We have found in this past year hundreds of cases in which the execution of a warrant of deportation violates every instinct of justice and humanity.

We have not attempted to care for such cases by stretching the law through administrative interpretation but have suspended deportation until July 1, 1934, to permit their submission to the law-making branch of the Government for its decision.

There is involved in the decision to be reached by the Congress not merely the fate of these persons and of the much greater number of their dependents to be left behind—for the most part American-born wives and children—but the larger question as to the continuance of a situation which has not reflected credit upon either the effectiveness or the humanity of our Government.

Very sincerely yours,

D. W. MACCORMACK, Commissioner.

Mr. MacCormack says this does not in any sense liberalize the deportation laws respecting aliens of the criminal or immoral classes. On the contrary, greater severity than ever before in the expulsion of the American criminal will result.

Mr. MacCormack told me yesterday that in one case he had had to deport the father to Rumania, the children to Canada, and the wife to another country, the name of which I now forget. I say, Mr. Speaker, since it does not involve an increase in the number of immigrants, for these people are here, many of them have married American women and have children, this law ought to be passed, because when we send the father back to a foreign country we leave the wife and children over here, possibly without support. Somebody has got to take care of them. This is in no sense a liberalization of the restrictive immigration laws, because the bill expressly provides that the number of those not deported shall be deducted from the immigration quotas of their respective countries. It is therefore not an increase of immigration. For this reason I think the Secretary of Labor is correct in her earnest desire to have this law passed. [Applause.]

[Here the gavel fell.]

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to insert Mr. MacCormack's letter in my remarks.

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

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, there is not a member of the Committee on Immigration who does not know it to be a fact that Commissioner MacCormack, when he appeared before the committee and when asked if the President had seen these bills and had supported them, said he had not. If the hearings were printed they would show that the President had not stated that he supported these bills, and had not read these bills; and this effort to jam legislation through Congress by saying the President has read it and is for it, when there is no competent evidence to that effect, I resent.

When any man tells you that this bill does not liberalize the deportation laws he does not know what he is talking about. They have 575 aliens subject to deportation held up

right now whom they intend not to deport if this bill is passed. The Department of Labor knows it liberalizes deportation, because it gives to the Secretary of Labor the discretion to say that all these cases shall not be deported.

Read the bill, starting with section 3; it says so on its face—that if the Secretary of Labor does not want to deport them in these numerous cases, she need not, although every one of them now is subject to deportation.

I challenge the majority leader, or anyone else, to prove that the President of the United States has read this bill and is for it.

Mr. BYRNS. I reported only what I had been told by the Secretary of Labor.

Mr. DIES. The gentleman has been quoting the President. The best way to convince us of the President's attitude is to bring us a statement from him. Let the majority leader find out.

Mr. BYRNS. Mr. Speaker, I gave the source of my authority, the Secretary of Labor. I have not talked to the President on the subject.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, I find myself in a sort of embarrassing position. Offhand I would be in favor of the general principles of this bill, particularly the humanitarian side of the bill; but what I want to say to the House now, Mr. Speaker, is that I talked with President Green of the American Federation of Labor yesterday after talking to Commissioner MacCormack and Mr. Battle.

The position of the American Federation of Labor is absolutely against all three of these bills. They feel there is a great danger to labor in these bills and would prefer to let them go over to the next session of Congress, when they can receive proper consideration by the American Federation of Labor.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Speaker, in answer to what my good friend the Democratic floor leader had to say, I shall be glad to read a copy of a letter from the President himself, written at the time this proposed legislation was first discussed. Mr. Green, of the American Federation of Labor, took the matter up directly with the President. I have here a copy of a letter which was taken from the letters introduced at the hearings. I shall not read Mr. Green's letter, but he raises the question with the President, and the President replied as follows:

MY DEAR MR. GREEN: I have referred your letter of September 22 to the Secretary of Labor and enclose a copy of the report submitted to me, which confirms my own understanding that there is no present proposal for relaxation of the restrictions on immigration, except such as have been made in favor of religious and political refugees.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

That is your authority.

Let nobody be moved off his feet by this appeal to party regularity. It does not mean a thing. You Members on the Democratic side for years voted for restricted immigration, long before our present President ever came into office.

Now, as far as Mr. MacCormack is concerned, he admitted at the hearings that he never knew anything about immigration, had had no experience whatever with immigration until he came into office as Assistant Secretary about a year ago.

Why should you think of receding from the position on restriction of immigration that you have always maintained? What is immigration? Every question on immigration must come from three sources. One is immigration into the country, another is naturalization when in the country, and another is deportation out of the country. Why does the Secretary of Labor want to change the deportation laws? The previous Secretary of Labor deported twice as many people every year as this Secretary of Labor has ever deported. That was done under the old laws. Why does not the present Secretary of Labor exercise powers under the old law and deport twice as many as she has deported? You talk about deporting people who sell drugs. There is plenty

of law to cover that situation. There is an abundance of law. As far as gunmen are concerned, there is an abundance of law. The trouble with this bill is you are placing in the hands of one individual too much authority.

The Secretary of Labor, Miss Perkins, is not safe to follow by those who consider themselves as restrictionists. Her past record will not stand the test of proof that she is as much interested in restriction of immigration as she is in admitting refugees and in granting American citizenship indiscriminately. If this bill is passed it will change the laws of immigration and naturalization and supplant them by official decree. The immigration laws are not safe if administered by Miss Perkins and her associates in office and out of office, according to their discretion. When any changes are made in the immigration laws, with which the American people are very much concerned, these changes should be made by the friends of the laws and not by those who are eternally attempting to tear down the laws and lay down the bars.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield the remainder of my time, which is 3 minutes, to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, when this bill came before the committee, 25 or 30 members of the Ellis Island Committee, including the very distinguished Mrs. Vincent Astor, appeared on behalf of the bill. The principal contention was that under existing immigration laws certain hardships were effected, resulting in the disintegration of certain families and that there should be some relenting in the severity of the law. I favor the principle that we are seeking to achieve as far as the many people who are innocent bystanders are concerned. So far as the severity of the law is concerned, I believe a very short amendment to the act of 1917 would have accomplished the purpose which is sought by this bill. So far as deportation of these hardened inveterate offenders are concerned, I differ with Colonel McCormack. I regard him as a most estimable gentleman and as a man of attainment and distinction. However, I differ with him in the respect that we should particularly define in the law the deportable offenses and then allow no discretion whatever. In seeking to effectuate that thought in this bill I think we have made a mistake. Time is not going to permit of a full exposition of this bill, but may I say if you will look at section 3 you will find that an alien who is otherwise deportable, provided he is of good moral character, has not been convicted of a crime, and has not been guilty of subversive agitation may be permitted to remain in this country in the discretion of the Secretary of Labor, even though the immigrant illegally entered the country, probably coming across the border. Now, remember that it is a deportable offense to enter this country illegally and yet you would confer discretionary power to permit that immigrant to remain in this country, provided certain other conditions were complied with, as recited in section 3.

If you will look at subsection 5 of section 3, you will find it would be possible for someone to come into this country under a temporary permit. At the end of a year such person would be deportable unless the temporary permit had been extended. Such person has not committed a crime; has not been guilty of any offense involving moral turpitude, and yet the Secretary of Labor is given discretionary power to permit such person to remain in the country. I might go on and exhaust all of the subparagraphs and show many conditions under which persons who illegally entered this country might be permitted to remain here, even though illegal entry is in itself a deportable offense.

May I say that this bill grants too much discretionary authority and is altogether too dangerous, and it may make this country the haven for a great many people who now live across the seas, even though we now have millions who are unemployed. I thoroughly sympathize with the Commissioner of Immigration. I believe he is a gentleman who is trying to do his best to deport these hardened offenders and trying to save intact these families that have been ruth-

lessly disintegrated under the severity of the law, but this is not the kind of a bill with which to do it, because in applying a partial remedy to one evil it creates another evil which is infinitely greater.

[Here the gavel fell.]

The SPEAKER. The question is on the motion of the gentleman from New York to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. DICKSTEIN) there were—ayes 57, noes 71.

Mr. DICKSTEIN. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The Clerk called the roll; and there were—yeas 92, nays 185, answered "present" 1, not voting 151, as follows:

[Roll No. 193]

YEAS—92

Adair	Crosser, Ohio	Hughes	Moynihan, Ill.
Adams	Crowther	Jenckes, Ind.	Musselwhite
Andrew, Mass.	Cullen	Kahn	O'Connell
Bakewell	Delaney	Kee	O'Connor
Beam	Dickstein	Kelly, Ill.	O'Malley
Beiter	Dingell	Kennedy, Md.	Oliver, N.Y.
Black	Duffey	Kennedy, N.Y.	Palmisano
Bland	Edmonds	Kenney	Peyster
Bloom	Eicher	Kerr	Ransley
Bolleanu	Ellenbogen	Kocialkowski	Rudd
Boland	Englebright	Kramer	Sabath
Boylan	Fiesinger	Lanzetta	Sadowski
Britten	Foulkes	Lehr	Schuetz
Brown, Ky.	Frey	Lesinski	Sears
Brunner	Gavagan	Lloyd	Sisson
Buck	Gillespie	McCarthy	Sweeney
Byrns	Gillette	McCormack	Wadsworth
Carpenter, Kans.	Granfield	Maloney, Conn.	Waldron
Celler	Hartlan	Martin, Colo.	Walgreen
Chavez	Hart	Mead	Weideman
Colden	Higgins	Meeks	Whitley
Condon	Hoidale	Merritt	Willford
Connolly	Holmes	Monaghan, Mont.	Zioncheck

NAYS—185

Abernethy	Ditter	Knutson	Robinson
Allen	Dobbins	Kurtz	Rogers, Mass.
Andrews, N.Y.	Dondero	Lambertson	Rogers, Okla.
Arens	Doughton	Lambeth	Romjue
Arnold	Dowell	Lamneck	Ruffin
Ayres, Kans.	Drewry	Larrabee	Sanders, La.
Bankhead	Duncan, Mo.	Lemke	Sanders, Tex.
Biermann	Durgan, Ind.	Lewis, Colo.	Sandlin
Blanchard	Eagle	Ludlow	Schaefer
Blanton	Eaton	McDuffie	Schulte
Brooks	Edmiston	McFadden	Secrest
Brown, Ga.	Elizey, Miss.	McFarlane	Sinclair
Bulwinkle	Eltse, Calif.	McGugin	Smith, Va.
Burch	Farley	McMillan	Stegall
Burke, Nebr.	Flannagan	McReynolds	Strong, Pa.
Burnham	Fletcher	McSwain	Strong, Tex.
Busby	Focht	Maloney, La.	Stubbs
Cady	Fuller	Mapes	Sutphin
Caldwell	Glover	Martin, Mass.	Taber
Cannon, Mo.	Gray	May	Tarver
Carmichael	Green	Millard	Taylor, S.C.
Carter, Wyo.	Greenwood	Miller	Taylor, Tenn.
Cartwright	Gregory	Milligan	Terry, Ark.
Cary	Griswold	Mitchell	Thom
Castellow	Guy	Montet	Thomas
Chapman	Hancock, N.Y.	Moran	Thompson, Ill.
Christianson	Hancock, N.C.	Morehead	Tobey
Clarke, N.Y.	Hartley	Mott	Turner
Cochran, Mo.	Hastings	Oliver, Ala.	Turpin
Cochran, Pa.	Henny	Owen	Umstead
Colmer	Hess	Parker	Underwood
Connery	Hildebrandt	Parsons	Utterback
Cooper, Ohio	Hill, Samuel B.	Patman	Warren
Cooper, Tenn.	Hope	Perkins	Wearin
Cravens	Imhoff	Peterson	Weaver
Crosby	Jacobsen	Pettengill	Werner
Cross, Tex.	Jenkins, Ohio	Polk	West, Tex.
Crowe	Johnson, Minn.	Powers	Whittington
Culkin	Johnson, Okla.	Ramspeck	Wigglesworth
Darrow	Johnson, Tex.	Rankin	Wilcox
Dear	Johnson, W.Va.	Rayburn	Williams
Deen	Jones	Reece	Wolcott
DeRouen	Keller	Reed, N.Y.	Wood, Ga.
Dickinson	Kelly, Pa.	Reilly	Wood, Mo.
Dies	Kinzer	Rich	
Dirksen	Kloeb	Richards	
Disney	Kniffin	Robertson	

ANSWERED "PRESENT"—1

Dunn

NOT VOTING—151

Allgood	Bacharach	Beck	Boehne
Auf der Heide	Bacon	Beedy	Bolton
Ayers, Mont.	Bailey	Berlin	Brennan

Brown, Mich.	Ford	Luce	Smith, W.Va.
Browning	Foss	Lundeen	Snell
Buchanan	Frear	McClintic	Snyder
Buckbee	Fulmer	McGrath	Somers, N.Y.
Burke, Calif.	Gambrill	McKeown	Spence
Cannon, Wis.	Gasque	McLean	Stalker
Carden, Ky.	Gifford	McLeod	Stokes
Carley, N.Y.	Gilchrist	Mansfield	Studley
Carpenter, Nebr.	Goldsborough	Mariand	Sullivan
Carter, Calif.	Goodwin	Marshall	Summers, Tex.
Caviochia	Goss	Martin, Oreg.	Swank
Chase	Greenway	Montague	Swick
Church	Griffin	Muldowney	Taylor, Colo.
Claiborne	Haines	Murdock	Terrell, Tex.
Clark, N.C.	Hamilton	Nesbit	Thomason
Cole	Harter	Norton	Thompson, Tex.
Collins, Calif.	Healey	O'Brien	Thurston
Collins, Miss.	Hill, Ala.	Parks	Tinkham
Corning	Hill, Knute	Peavey	Traeger
Cox	Hoepfel	Pierce	Treadway
Crump	Hollister	Plumley	Truax
Cummings	Howard	Prall	Vinson, Ga.
Darden	Huddleston	Ramsay	Vinson, Ky.
De Priest	James	Randolph	Walter
Dockweiler	Jeffers	Reid, Ill.	Welch
Douglass	Kleberg	Richardson	West, Ohio
Doutrich	Kopplemann	Rogers, N.H.	White
Doxey	Kvale	Scrugham	Wilson
Driver	Lanham	Seger	Withrow
Evans	Lea, Calif.	Shallenberger	Wolfenden
Faddis	Lee, Mo.	Shannon	Wolverton
Fernandez	Lehlbach	Shoemaker	Woodruff
Fish	Lewis, Md.	Simpson	Woodrum
Fitzgibbons	Lindsay	Stovich	Young
Fitzpatrick	Lozier	Smith, Wash.	

So (two-thirds not having voted in favor thereof) the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following additional pairs:

On this vote:

- Mr. Greenway and Mr. Sullivan (for) with Mr. Evans (against).
- Mr. Cannon of Wisconsin and Mr. Lindsay (for) with Mr. Snell (against).
- Mr. Sirovich and Mr. Fitzpatrick (for) with Mr. Hamilton (against).
- Mrs. Norton and Mr. Griffin (for) with Mr. Gifford (against).
- Mr. Somers of New York and Mr. Corning (for) with Mr. Treadway (against).
- Mr. Carley of New York and Mr. Prall (for) with Mr. Marshall (against).

Until further notice:

- Mr. McKeown with Mr. Plumley.
- Mr. Shallenberger with Mr. Hollister.
- Mr. Lozier with Mr. Goodwin.
- Mr. McClintic with Mr. Chase.
- Mr. Lanham with Mr. Bacon.
- Mr. Douglass with Mr. Fish.
- Mr. Mansfield with Mr. Beck.
- Mr. Cox with Mr. Luce.
- Mr. Huddleston with Mr. Beedy.
- Mr. Shoemaker with Mr. De Priest.
- Mr. Hill of Alabama with Mr. Swick.
- Mr. Murdock with Mr. Lundeen.
- Mr. Thompson of Texas with Mr. Kvale.
- Mr. Gambrill with Mr. Richardson.
- Mr. Lea of California with Mr. Rogers of New Hampshire.
- Mr. Boland with Mr. Ford.
- Mr. Fitzgibbons with Mr. Allgood.
- Mr. Dockweiler with Mr. Randolph.
- Mr. Scrugham with Mr. Lewis of Maryland.
- Mr. Smith of Washington with Mr. Lewis of Colorado.
- Mr. Snyder with Mr. Marland.
- Mr. Spence with Mr. Thomason.
- Mr. West of Ohio with Mr. Pierce.
- Mr. Wilson with Mr. Young.
- Mr. Walter with Mr. Ramsay.
- Mr. White with Mr. Truax.
- Mr. Kopplemann with Mr. McGrath.
- Mr. O'Brien with Mr. Hoepfel.
- Mr. Berlin with Mr. Healey.
- Mr. Brennan with Mr. Ayers of Montana.
- Mr. Harter with Mr. Church.
- Mr. Bailey with Mr. Brown of Michigan.
- Mr. Auf der Heide with Mr. Burke of California.
- Mr. Carpenter of Nebraska with Mr. Knute Hill.
- Mr. Claiborne with Mr. Cole.
- Mr. Darden with Mr. Nesbit.
- Mr. Crump with Mr. McLeod.
- Mr. Goldsborough with Mr. Stokes.
- Mr. Fulmer with Mr. Bacharach.
- Mr. Driver with Mr. Foss.
- Mr. Kleberg with Mr. Bolton.
- Mr. Doxey with Mr. McLean.
- Mr. Boehne with Mr. Tinkham.
- Mr. Browning with Mr. Wolverton.
- Mr. Gasque with Mr. Peavey.
- Mr. Buchanan with Mr. Goss.
- Mr. Carden of Kentucky with Mr. Carter of California.
- Mr. Haines with Mr. Lehlbach.
- Mr. Montague with Mr. Wolfenden.
- Mr. Martin of Oregon with Mr. Seger.
- Mr. Taylor of Colorado with Mr. Doutrich.
- Mr. Swank with Mr. Woodruff.
- Mr. Smith of West Virginia with Mr. Reid of Illinois.

Mr. Vinson of Kentucky with Mr. Collins of California.  
Mr. Parks with Mr. Withrow.  
Mr. Vinson of Georgia with Mr. Frear.  
Mr. Woodrum with Mr. Welch.  
Mr. Cummings with Mr. Traeger.  
Mr. Collins of Mississippi with Mr. Simpson.  
Mr. Clark of North Carolina with Mr. Thurston.  
Mr. Fernandez with Mr. Muldowney.  
Mr. Studley with Mr. Cavicchia.  
Mr. Shannon with Mr. Buckbee.

Mr. ADAMS, Mrs. McCARTHY, and Mr. GILLETTE changed their votes from "no" to "aye."

Mr. DEROUEN and Mr. JOHNSON of Oklahoma changed their votes from "aye" to "no."

Mr. CHRISTIANSON. Mr. Speaker, the gentleman from Iowa, Mr. GILCHRIST, and the gentleman from California, Mr. COLLINS, are unavoidably absent attending a conference committee and have requested me to ask that they may be excused on this roll call.

Mr. BYRNS. Mr. Speaker, the special committee set up by the House to investigate purchases of War Department property, consisting of the gentleman from New Hampshire, Mr. ROGERS; the gentleman from Michigan, Mr. JAMES; the gentleman from Connecticut, Mr. Goss; the gentleman from Minnesota, Mr. KVALE; and the gentleman from Alabama, Mr. HILL, are absent, engaged in this investigation, and for that reason they ask to be excused on this vote.

The result of the vote was announced as above recorded.

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

The SPEAKER. The gentleman has that permission.

#### THE ENROLLING ROOM

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

#### House Resolution 447

*Resolved*, That there shall be paid out of the contingent fund of the House of Representatives during the remainder of the present session not exceeding \$200 for additional clerical services in the enrolling room.

The resolution was agreed to.

#### INVESTIGATION BY THE COMMITTEE ON THE JUDICIARY

Mr. WARREN. Mr. Speaker, I offer another privileged resolution from the Committee on Accounts for present consideration.

The Clerk read as follows:

#### House Resolution 443

*Resolved*, That the further expenses of conducting the investigation authorized by House Resolution 145, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed \$5,000, including expenditures for the employment of clerical, stenographic, and other assistance, shall be paid out of the contingent fund of the House, on vouchers authorized by the committee, signed by the chairman thereof or the chairman of any subcommittee thereof, and approved by the Committee on Accounts.

Sec. 2. That the official reporters shall serve said committee at its meetings in the District of Columbia.

Mr. WARREN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### OIL INVESTIGATION

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules, I call up for immediate consideration House Resolution 441.

The Clerk read as follows:

#### House Resolution 441

*Resolved*, That the Committee on Interstate and Foreign Commerce, as a whole or by subcommittee, is authorized and directed to investigate (1) the production, importation, storage, transportation, refining, purchase, and sale of petroleum and its products for the purpose of determining whether there is an excessive supply of petroleum and its products; whether such excessive supply, if it exists, injuriously affects commerce in petroleum and its products and has the effect of rendering unprofitable the operation of wells of small but settled production and will cause their abandonment before the maximum economic yield is obtained; whether premature extraction of petroleum from natural

resources, induced by absence of restrictions upon the quantity which may move in commerce, results in waste and inferior uses; whether restrictions should be placed upon the quantities of petroleum and its products which may move in commerce when an excessive supply exists, and, if so, whether such restrictions should regulate and coordinate commerce in petroleum and its products among the several States and with foreign nations, with fair and equitable apportionment among the States and among different operators and sources of supply; and whether commerce in petroleum and its products is of such a nature that it may be regarded as a unit for the purpose of establishing quotas irrespective of whether transactions are interstate or intrastate, or whether exportation or importation is involved; and (2) all other questions in relation to the subject of regulating commerce in petroleum and its products.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) during the present Congress the results of its investigation, together with such recommendations for legislation as it deems advisable.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman of the committee or any member designated by him, and shall be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

Mr. BLANTON. Mr. Speaker, I make the point of order there is no quorum present for the purpose of asking a question.

I am vitally interested in this matter. Part of the life-blood of my district is the oil business. The independent oilmen now have their backs to the wall. They must have protection from hot oil monopolies. I want to know whether I am going to have any time on this resolution. I am entitled to discuss this matter, and I would like to have 10 minutes on it.

Mr. BANKHEAD. I cannot now agree to give the gentleman 10 minutes of the time. We have had other requests that I have agreed to.

Mr. BLANTON. Mr. Speaker, the independent oilmen of my country have been wiring and writing here trying to get some relief.

Mr. CELLER. Mr. Speaker, I demand the regular order.

Mr. BLANTON. If I can get 10 minutes, that is all I want.

Mr. BANKHEAD. I shall yield the gentleman 5 minutes. The gentleman had not requested any time.

Mr. BLANTON. This is the first opportunity I have had to ask for time. I ask for it now. The gentleman will yield me 5 minutes?

Mr. BANKHEAD. Yes.

Mr. BLANTON. I will get 5 minutes from across the aisle, hence will withdraw the point of no quorum.

Mr. HASTINGS. Mr. Chairman, I ask the Chairman of the Rules Committee a question. Is this a rule?

Mr. BANKHEAD. No; this is not a rule. This is a privileged resolution from the Committee on Rules and it is entitled to be debated and then voted upon on its merits. The resolution does not require any rule.

Mr. HASTINGS. How much time is permitted under the rule?

Mr. BANKHEAD. We usually have 40 minutes debate; 20 minutes on a side.

Mr. HASTINGS. Like the gentleman from Texas [Mr. BLANTON], I feel that this is a very important resolution. It is one that vitally affects the oil industry. It affects the people of my State, and it affects the people of a good many other States. As a matter of fact it affects the entire Nation. I would really prefer that my friend would let us have a little more time, perhaps in the morning, when this resolution could be debated, so that we could express our views a little more at length.

Mr. BANKHEAD. This is not an oil bill.

Mr. HASTINGS. I think I fully understand it.

Mr. BANKHEAD. This resolution and another resolution which we hope to pass immediately after this, is called up tonight because of the fact that it is now confidently ex-

pected that we will conclude the session of Congress and adjourn tomorrow night. If this resolution is going to pass—I do not know whether it is or not, or the other resolution to which I have referred—it becomes absolutely necessary for the Committee on Accounts to meet and authorize an appropriation and get through a special resolution for the funds with which to conduct this investigation. How much time does the gentleman from Pennsylvania want?

Mr. RANSLEY. Mr. Speaker, we feel that we should have the full time.

Mr. BANKHEAD. Then I shall take this course in order to accommodate the gentleman. I am willing to extend the time to an hour on the resolution instead of 40 minutes and let the gentleman from Pennsylvania on the Republican side control 30 minutes and I shall control 30 minutes.

Mr. BLANTON. The gentleman should ask unanimous consent to have that, should he not?

Mr. BANKHEAD. It is not necessary, I think. I want my friends to feel that as far as I am able to, I want all sides to be given an opportunity to be heard. There is no intention on the part of the Committee on Rules to suppress any opportunity for debate within the hour. If the gentleman from Oklahoma wants a little time I shall give him as much as possible.

Mr. Speaker, I yield to the gentleman from Pennsylvania the control of 30 minutes on the resolution. It is not my purpose to undertake to explain this situation. This is a privileged report, and I want all the time in debate upon it to be devoted to a discussion of its merits and not to be taken up by members of the Committee on Rules. I yield 5 minutes to the gentleman from Maryland [Mr. COLE], the author of the resolution.

Mr. COLE. Mr. Speaker, this resolution represents the unanimous decision of the Committee on Interstate and Foreign Commerce. That committee had before it the oil bill introduced by my distinguished colleague from Oklahoma [Mr. DISNEY], and the committee gave to that legislation as much consideration as time would permit. The question has been asked, and I think properly so, why the Disney bill was not reported out of this committee. We are dealing in this subject with the second largest industry in the United States, one of tremendous consequence. Eighteen States of the Nation are definitely affected as producing States, not to say anything of the great consuming public. The proponents of the bill, as well as the opposition, appeared in the hearings. I think I can say for every member of the Committee on Interstate and Foreign Commerce, which has presented to this House during the present session six of the major bills which you have approved, working almost day and night, that if they had believed the testimony presented to them was conclusive to have this Congress adopt as a policy the legislation set forth in the Disney bill, they would have done so. The committee, in executive session, decided not to report the Disney bill, but in lieu thereof to incorporate into a resolution almost the identical language found in the statement of policy in the Disney bill, and the committee to which this legislation has been referred to make an inquiry into it and report back to the next Congress not only its findings but definite legislation on the subject.

I hope Members of the House realize that this committee appreciates the difficult situation confronting these Texas oil fields and the oil fields of other States. We know that the petroleum code and the enforcement of the provisions of the Connally amendment to the Industrial Recovery Act call for real effort upon the part of the administration. The deficiency appropriation bill carries a large amount for the enforcement of the petroleum code. That code is being litigated today in a very strenuous way. It has been through the District Court of Appeals, and is on the way to the Supreme Court of the United States. It is being litigated in other courts of the country. The constitutionality of the Disney bill was questioned by able lawyers appearing before our committee. The entire situation as to the necessity for consideration by Congress, the ability of the Federal Government by authority of Congress to cross State lines

and dictate in the manner the bill called for, are all questions of real importance, and we feel that a thorough investigation should be made.

I remind the Members of this House that in every investigation submitted by the House to the Committee on Interstate and Foreign Commerce it has been followed by the enactment of real legislation. You did that in the case of public utilities, of telephone companies, of railroad holding companies, and in many other instances I could refer to, and on pipe lines, as the gentleman from Indiana [Mr. PATTEN-GILL] suggests. The committee has given the matter serious thought. We met all morning and this is the mature and deliberate judgment of every member of the Committee on Interstate and Foreign Commerce, and the unanimous decision of the Committee on Rules of this House. I hope that Members of the House will adopt the resolution. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, unless we pass such oil-control legislation, as was proposed by Secretary Ickes, before this Congress adjourns, in just a few weeks you are going to see oil drop down to 25 cents a barrel. When that happens it will put out of employment in the various oil fields 200,000 men, heads of families, who are now making an honest living for their wives and children.

What is it that is standing in the way of this proper control of oil, where disregard has been had for the law, where the law has been ignored and set aside? "Hot" oil has been taken out in violation of regulations, by the hundreds of thousands of barrels.

I want to say that I am much disturbed about the situation. What power is it in the United States that comes here to the Nation's Capital, and stands in the way of a bill like the Disney bill? Oh, when I saw a certain gentleman from Texas, my native State, Hon. Roy Miller—I name him because he has great political influence—put up his lobby office and stay here week after week, representing the oil interests of combines like Andrew W. Mellon as far as my State is concerned, the Gulf Oil Co. of Texas—when he came here I knew that he was going to play havoc with the Disney bill.

Now, I am not reflecting on any member of the committee. I have no right to reflect on them. They use their own judgment just like I use mine. I am assuming that they act as their conscience dictates, but I want to say that whether they intended it or not, the slow manner in which they have held hearings and managed this business has been nothing more than tantamount to pigeon-holing this bill and chloroforming it and not giving it a chance to live.

We ought to kill this foolish resolution. It will cost \$25,000 to start with, and will accomplish nothing of any value. We men from the oil districts, every one of us, already know everything that that resolution would bring to light. What facts are there, that that resolution could bring to light that we do not already know? Name some. We already know all the facts about this "hot" oil. This resolution is a foolish piece of paper. It is a waste of money. It will waste \$25,000 to start with. We ought to kill this foolish resolution, and I hope that before this Congress adjourns the Speaker will recognize the gentleman from Oklahoma [Mr. DISNEY] and he will call up that oil control bill under suspension of rules and pass it [applause], and let this Government be supreme over the oil business, in controlling unlawful "hot" oil.

What right has Mr. Mellon to control this great commodity? What right has the Dutch Shell to do it? What right have these big oil monopolies to do it?

Oh, some of us can get so high up that they cannot answer a decent question when we ask it.

Mr. RAYBURN. Now, what does the gentleman mean?

Mr. BLANTON. I mean every word I say. You can refuse to answer my question as you did the other day, but I am going to call you down on it when you do it. You know me, Sam. You do not need to try any of that monkey

business on me. That was a bluff you put up, but you did not bluff me.

Mr. RAYBURN. I know you.

Mr. BLANTON. I know you. You chloroformed this bill, and you know it.

Mr. Speaker, I asked the gentleman, the great Chairman of the Committee on Interstate and Foreign Commerce, when he was asking a favor of the House the other day—

Mr. COLE. Will the gentleman yield?

Mr. BLANTON. Not now. I asked the gentleman if he would tell us what was the condition of the oil bill. He said he would not yield. I told him he did not have to yield, that I held the floor under reservation of objection. Then he said he would not answer it. I said, "If you are not going to answer, you are not going to get your request granted. I will object." And I did object. Then he came out and said, "We have closed the hearings." Then I said, "Why could you not have answered a decent question first without all that monkey business?" What is there about this oil-control bill that should make Sam mad about it? He is a good fellow, and he knows that I will back him up in his district. I have friends from one side to the other of it that will go to the mat for him in every election. Why should he take that high-hat position with me? He knows it will not do any good with me. I am the same kind of a Texan he is. Both of us are just alike. We will both of us bluff sometimes. [Laughter.]

Mr. RAYBURN. I do not bluff.

Mr. BLANTON. Yes; we do not bluff! But we chloroform oil bills all right. You chloroform them. Now, Sam—

Mr. BANKHEAD. Mr. Speaker, I rise to a point of order.

Mr. BLANTON. I withdraw that.

Mr. BANKHEAD. The gentleman should refer to the gentleman from Texas in the proper manner.

Mr. BLANTON. I will withdraw it. I want to say that the gentleman from Texas [Mr. RAYBURN] should withdraw this futile resolution that will cost \$25,000 and accomplish nothing, and go back to that committee and send Roy Miller back home and tell him that Andrew Mellon and his Gulf Oil Co. must stay in Texas and let us run the people's business here, and then report the oil-control bill favorably, and pass it. I think he should have his committee bring that oil bill out and pass it tonight.

Now, I have no feeling in this, not a bit. My heart is free of any feeling. I have got in my heart an interest for those independent oilmen of my State. Ninety-five percent of them are for this oil control bill. It means their business life. If it is not passed it means the accumulations of a lifetime gone. That is what it means to them. Are you willing to do good citizens that way?

Why, take Sam Butler, the son of our former good friend and colleague from Chester, Pa., who was the former Chairman of the Committee on Naval Affairs; Sam Butler is one of the independent oilmen in Eastland County; he has built up a splendid business there. If you do not pass this bill before we adjourn you are going to hurt Sam Butler, who has his life's savings invested in the oil business at Eastland, Tex.

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

Mr. BLANTON. I yield.

Mr. DISNEY. The gentleman should, properly, at this juncture, call the attention of the House to the fact that a year ago oil was selling at 10 cents, 15 cents, and 20 cents a barrel, with the industry prostrated; yet today, under the code, the price has been brought back to \$1 a barrel.

Mr. BLANTON. And the gentleman knows that there is a movement on foot right now by Andrew W. Mellon, and his Gulf interests, to run the price down to 25 cents a barrel, put millions of barrels of oil in his storage tanks, and then run the price up afterward.

Mr. DISNEY. The gentleman means a quarter of a billion.

Mr. BLANTON. Yes; a quarter of a billion barrels of oil; that is the capacity of his storage facilities.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. O'MALLEY. Is the Secretary of the Interior in favor of this resolution?

Mr. BLANTON. Why, certainly he is not; he drew the oil-control bill, or approved the one that was introduced.

Mr. BLANCHARD. The gentleman said resolution, not bill.

Mr. BLANTON. I am talking about the oil-control bill. Secretary Ickes is for it, but he is not for this resolution.

Mr. O'MALLEY. The gentleman almost lost my vote for it when he said he was for it.

Mr. BLANTON. He wants this bill passed to stop the "hot" oil and keep it off the market. Here is what is said in tonight's paper:

"Hot" oil flood is predicted by Ickes.

Now, on some things I do not agree with Secretary Ickes. I have talked to him as straight as any man ever talked to another about things I did not like, but this is one time that I am with him heart and soul.

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

Mr. BLANTON. I yield.

Mr. DISNEY. All this nonsense about the bill being drawn by the Secretary of the Interior is quite beside the facts. The bill was drawn by a group of men composed almost entirely of independents.

Mr. BLANTON. I do not care who drew it. It is a good bill, and we need it passed. At least it was agreed to by the Secretary and his oil experts.

Mr. DISNEY. The bill was drawn by these independent oilmen.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. EAGLE].

Mr. EAGLE. Mr. Speaker, I live in the oil center, not only of Texas, not only of the South, not only of the United States, but, pardon me when I say it plainly, of the whole world. Texas produces daily 44 percent of all oil production in the United States, being 30 percent of the world's production, and the city of Houston is the very center of Texas oil production. This is not said in vanity but to let you know the profound interest I have in this matter. I will, as far as one can do so in 5 minutes, tell you something of the facts: The statements of facts just made by my good personal friend, the gentleman from Texas [Mr. BLANTON] on this floor, are absolutely inaccurate, as far-fetched as the stars, and as deceptive as ever anything was unintentionally made in this world.

We are all familiar with the carpetbag rule of the South, which came out of Washington, where soldiers undertook to make my white people subject to Negro people, and almost broke down civilization for 10 years, an era of universal corruption that now North and South alike regret. In the year 1918 the national prohibition amendment was ratified and again brought on carpetbagging, an era of universal corruption, in an effort to govern the individual habits and affairs of all our people by the Federal Government. Yet, that was mere pin money compared to this oil industry, which is the second industry in this Nation. Let us not have a third era of foolish and corrupt carpetbagging as to the oil-production industry.

I beg of you not to throw the destiny of the oil industry into the hands of Secretary Ickes. He does not know anything about oil production nor the oil industry; hardly the difference between an oil well and an artesian water well. You heard from Mr. BLANTON that Mr. Mellon's Gulf Oil Co. opposes this bill. That is not true. Its home is in my city. What is the fact? It is this: The Gulf Oil Corporation, owned by Mr. Mellon, with headquarters in my home city of Houston; the Standard Oil Co.'s principal production unit, the Humble Oil & Refining Co., has its buildings and headquarters in my city; and the Shell Oil Corporation owned by foreign money has its headquarters in my home city, Houston.

Those three are allowed by Mr. Ickes under the N.R.A. oil code to ship in from their own wells in South America to this country every day 121,000 barrels of oil and to take



out of their own storage tanks, now filled in the United States with their foreign oil, 279,000 barrels daily, and dump it on to the American market, making a total daily of some 400,000 barrels for them and 12 other major companies, denying the American producer who found the oil the right to produce that same 400,000 barrels daily, which is favoring the major oil companies and fostering a monopoly.

It takes 2,700,000 barrels every day to supply the oil demands of the United States, to say nothing of foreign sales. Secretary Ickes, under the code, allows the American producer to produce 2,300,000 barrels. He wants to put a man in Texas or Arkansas or Louisiana or Wyoming or Ohio or Pennsylvania in jail for producing 20 barrels when Mr. Ickes says he must produce only 10. But he allows these great monopolistic majors to bring in and sell daily this 400,000 barrels. In Texas, if we should produce to capacity, it could produce 200,000,000 barrels daily, while the total oil produced under the Ickes plan daily now amounts to only one-half of 1 percent of that amount. And yet Mr. Ickes and the monopoly pretend that Texas production is ruining the oil industry. It is a false pretense.

The Legislature of Texas has met several times and has empowered the Texas Railroad Commission to regulate the operation of the wells. We are producing only 25,000 barrels a day more than Mr. Ickes says we are allowed by his code methods. We have one field 51 miles long and 9 miles wide with 13,000 wells.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. EAGLE. Mr. Speaker, we have 13,000 wells in that one strip. The Federal Government did not advance a nickel to make those wells. It did not furnish a geologist. They were brought in through the vision of the people of my State who thought they were doing a noble work for America by engaging in that work. Do you think 418,000 of my people actually engaged in the physical labor of those wells should be compelled or that they wish to come here hat in hand and sit on the outside of Secretary Ickes' door, when he does not know anything about oil, and have Mr. Ickes refer them to some oil assistant out of the Standard Oil group and affiliates in Wall Street who can tell my people to settle arbitrarily their destiny without recourse to appeal or court? It is a travesty and a tragedy proposed. Texas is not overproducing. This is the excuse which the major companies, the companies involved in the monopoly, are using for a sinister purpose. They have deceived Mr. Ickes and, he in turn, either knowingly or unknowingly, has sought to deceive the President and the Interstate Commerce Committee. It is the work of the oil monopoly.

There are 80,000 wells in Pennsylvania. They produce a half barrel each per day. Those good people want 50 cents a barrel increase and they thought that Secretary Ickes would give it to them, and I believe he would. But there are 2,700,000 barrels used daily in America, and if they get the increase everybody else gets it. That would put an additional burden of \$1,350,000 each day on consumers in order to help the 40,000-barrel production in Pennsylvania and a barrel's production in other States. Is it worth the price, to wreck the second greatest industry in the United States and to penalize the consuming public \$590,000,000 a year to aid a few stripped wells to secure 50 cents per barrel more for their oil?

Adopt this resolution to secure all of the true facts and learn exactly what is actually behind this Ickes oil-control bill. Let us get all the facts. That is the meaning of the resolution.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, it is not necessary for me to say that the Committee on Interstate and Foreign Commerce of the House has had one of the most important programs of legislation that has been considered by this House during the last 15 or 20 years.

Among the bills presented to that committee was the so-called "oil bill." I can truthfully say that the committee gave a great deal of time to the consideration of this bill. The gentleman from Texas [Mr. BLANTON] a moment ago stated that unless the oil bill is passed during this session of Congress the industry would be ruined. He also reflected on the committee when he intimated that Mr. Andrew Mellon's influence was brought to bear, which caused the committee to take this action. May I say to the gentleman from Texas that the statement was a reflection on every member of the Committee on Interstate and Foreign Commerce. This committee is not taking the dictation of Mr. Andrew Mellon or anyone else, but when we take up a bill for consideration we want to know what we are doing.

We tried to come to some conclusion on that bill, being the important measure it was, and it was the opinion of a great many members of the committee that we had better make some kind of an investigation and find out something about this great problem before we attempt to present legislation to the House. Furthermore, may I say that the committee is not given to reporting out bills and presenting them on the floor of this House unless we can express an intelligent, good reason why they should become law. [Applause.]

I want to compliment the gentleman from Texas [Mr. RAYBURN], chairman of the committee, for the work that he has done during this session of Congress. His colleague, the gentleman from Texas [Mr. BLANTON], knows that he has had charge of the most important program of this administration during this present session of Congress. It does not come with very good grace for anyone to stand here on the floor of this House and cast a reflection upon the chairman of the committee, the gentleman from Texas [Mr. RAYBURN].

Mr. Speaker, this resolution provides that the Committee on Interstate and Foreign Commerce is directed and empowered to make a thorough study and investigation of this important question, so that when we reconvene in the next session of Congress we will have something to work upon.

Mr. DISNEY. Will the gentleman yield?

Mr. COOPER of Ohio. I will be glad to yield if it is on this question.

Mr. DISNEY. If the danger is so imminent to the oil business, what objection would there be to not only having the resolution, but enacting the legislation to run as far as perhaps a year. Could there be any serious objection to that procedure?

Mr. COOPER of Ohio. As I said a moment ago, the committee is not given to reporting legislation to this House and asking for its passage unless we can stand on the floor and express an intelligent, good reason why the legislation should be passed, and I do not believe I am casting any reflection on the committee when I say that we felt we were not competent to report the bill at this time.

I hope this resolution will pass.

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

Mr. COOPER of Ohio. Yes.

Mr. MAY. In other words, what the gentleman is saying is that the committee felt that this industry being the second largest in the entire United States, it was more important to find out more about the industry and bring in the proper kind of legislation 6 months from now than to bring in a half-baked measure now.

Mr. COOPER of Ohio. Certainly.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 3 more minutes.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for one question?

Mr. COOPER of Ohio. Not now.

Mr. Speaker, I also desire to say that there are thousands of people in the State in which I reside, the State of Ohio, independent operators of small oil wells, and people in western Pennsylvania, bordering on my district, who have pleaded with me to try to report this bill out and pass it. I would like to favor the people from my State. I would like to favor the independent oil producers by the passage

of legislation of this character, but it seems to me this is of such vital importance, not only to the people of Ohio and the people of western Pennsylvania, but, as has been stated here, this is the second largest industry in the country and it is of such vital importance I think we ought to give it further study; and if this committee is permitted to make an investigation I think I can guarantee that when the next session of Congress convenes we will get down to work and will report a bill and the House can consider it.

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

Mr. COOPER of Ohio. Yes.

Mr. FLETCHER. The gentleman stated a moment ago it would be unfair to the industry in Ohio to pass a bill now.

Mr. COOPER of Ohio. No; I did not say it would be unfair. I said I would like to favor them.

Mr. FLETCHER. Why not favor them by passing the bill now?

Mr. COOPER of Ohio. Would the gentleman report a bill out of a committee if he did not know the extent to which it would go and if he was not familiar with its ramifications or the magnitude of the measure? I am sure the gentleman would not want me to vote to report a bill out of a committee under such circumstances.

Mr. FLETCHER. Does the gentleman think he would be in better position to report it at the next session of the Congress?

Mr. COOPER of Ohio. Yes.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD], to use as he may desire.

Mr. BANKHEAD. Mr. Speaker, I agreed to yield to the gentleman from Texas [Mr. McFARLANE] 5 minutes, but can only yield him 4 minutes.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman from Texas [Mr. McFARLANE] 5 minutes.

WE SHOULD DEFEAT THIS RESOLUTION AND PASS THE FEDERAL OIL-CONTROL BILL REQUESTED BY THE PRESIDENT

Mr. McFARLANE. Mr. Speaker, I think the membership of the House wants to deal fairly on this question. I think you want to deal with all the people affected in this great industry, the oil industry, which is probably the largest single taxpaying industry in our country. Twice within the last 3 years we have seen oil in our section go to 10 cents for 42 gallons of crude oil, and the gentleman from Maryland [Mr. COLE], who made the announcement and who is the author of this resolution, has made statements about the work this committee has done, how hard they have been working, and I am sure they have been working hard. The statement has been made that they have not had the time to put on this legislation in order to give it the consideration it ought to have, and that therefore this resolution should be passed to give them additional information on this subject. Mr. Speaker, the Interstate and Foreign Commerce Committee did not have to receive this legislation and consider it. The Mines and Mining Committee wanted this legislation and would have been pleased to have had this legislation referred to their committee and to have considered it, if the Interstate and Foreign Commerce Committee would have waived their right to consider it. The Mines and Mining Committee of the Senate considered a similar bill and quickly reported it out, and it is on the calendar of the Senate. So I do not believe there is much merit in their argument about sufficient time to consider same, and so forth. They have heard everyone on both sides of this question who wanted to be heard, and they have all the information they need to report the Disney bill.

Going further, Mr. Speaker, the chairman of this great committee on May 22 received a letter from the President of the United States asking the committee's support of this legislation, and in that letter the President quoted the situation, which I believe every member of that committee and of this House can easily understand. Let me quote from the letter.

PRESIDENT'S MESSAGE RELATIVE TO FEDERAL PETROLEUM BILL

The President has addressed identical letters to Senator M. M. LOGAN, Chairman of the Senate Committee on Mines and Mining, and to Representative SAM RAYBURN, Chairman

of the House Committee on Interstate and Foreign Commerce, and has sent copies of these letters to Senator THOMAS of Oklahoma and Representative DISNEY. The President's letter read as follows:

MAY 23, 1934.

MY DEAR MR. CHAIRMAN: I have received a disturbing letter from the Administrator for the Petroleum Industry, Hon. Harold L. Ickes, informing me of the continued daily production of oil in excess of the maximum amount determined on by the Administrator pursuant to authority under the petroleum code.

The Administrator states that the records of the Bureau of Mines during the first 3 months of this year show a daily average production of illegal oil of 149,000 barrels. Technically speaking, this may not all have been "hot" oil, but in a real sense it is, since it is oil produced in excess of the allowable. While the final figures of the Bureau of Mines are not available for the months of April and May, it is unquestionably true that there is growing disregard for production orders issued under the Petroleum Code and that the trend of hot oil produced is upward. For example, it is stated on reliable authority that the daily excess production in the east Texas field alone is running at 60,000 to 75,000 barrels per day. Other estimators say that this figure should be much higher. The Oil and Gas Journal recently estimated that there was illegal production in the country as a whole of 198,475 barrels per day during the week ending May 12.

If the principle of prorating production under a code is to be maintained, it seems necessary that the existing law should be strengthened by the passage of the bill which has been introduced in the Senate by Senator THOMAS and in the House by Congressman DISNEY and supported by the Oil Administrator.

It is a simple fact that as a result of the work of the Oil Administrator, definite progress has been made both in eliminating unfair practices and in raising the price of crude petroleum to a reasonable level, which has brought added employment and more fair wages to those engaged in oil production.

I am frankly fearful that if the law is not strengthened, illegal production will continue and grow in volume and result in a collapse of the whole structure. This will mean a return to the wretched conditions which existed in the spring of 1933.

I hope, therefore, that the proposed legislation can be enacted. I do not want to see this important American industry reduced to the condition under which it was operating before the Oil Administration started its work.

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT.

That is what the President tells us, and that is not controverted by the testimony of the Bureau of Mines and of those who are gathering all the information available. All this information by the different governmental departments was presented before the committee, and the committee has not pointed out any additional information they need on this subject. I come from one of the largest oil-producing districts there is in my State, outside of this great east Texas oil field. There are more than 17,000 producing oil wells and more than 2,000 independent oil operators in my district. Not one single solitary protest have I received from any independent oil operator in my district concerning the present Disney bill. I have received dozens and dozens of letters and many telegrams from those independent oil operators asking that this legislation be enacted.

Who was it came before your committee here fighting this legislation? The gentlemen that I saw up here before that committee, according to the maps that were shown me and the information that I received, were, many of them, close friends of those in the east Texas oil fields who are producing hot oil. Naturally they do not want the oil in that field controlled. They want to produce every gallon of hot oil that they can.

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

Mr. McFARLANE. Yes.

Mr. DISNEY. One witness went on the stand here and said that he was engaged in the production of hot oil.

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

Mr. BLANTON. The independents in the gentleman's district and mine are for the Ickes bill, not this resolution. Who is against it? The Mellon Gulf Co., the Dutch Shell—all the big monopolies.

Mr. McFARLANE. And the chairman of the National Democratic Committee from Texas, Roy Miller, puts in all of his time up here trying to control patronage and fighting for legislation in favor of the big companies. I understand he represents the Gulf Oil Co. We fought him down before the Texas Legislature, he and his Texas Gulf Sulphur Co., in the same way. He is in charge of lobby activities for the

same Gulf Co. here. We always have to fight that crowd in Texas.

Mr. Speaker, I have helped drill a lot of dry holes myself as an independent operator. I am convinced that if the Disney bill is not passed this session we will again have 10-cent oil, which will mean chaos in the oil field—all operations will be shut down and thousands thrown out of work. I have a wire here that I received this morning and I ask unanimous consent to insert it in the RECORD, and which I read to you now. This is from the largest and only independent oil operators association in my district. It reads as follows:

WICHITA FALLS, TEX., June 15, 1934.

Hon. W. D. McFARLANE,  
House Office Building:

We sincerely appreciate the support you have given the Federal oil control bill, but its failure to pass unquestionably will result in a break-down of the crude-price structure because of encouragement to "hot" oil violators, and will undoubtedly increase very materially the ranks of the unemployed. Reduction in crude and marketing prices will further result in demoralization of petroleum code which the operators have faithfully tried to observe. The legitimate refiners are now being compelled to make drastic reduction in force because of market conditions occasioned by hot-oil violations, and we cannot understand why the administration will not insist on corrective action being taken by Congress to avoid destruction in petroleum-code practices which will also affect allied industries. We, therefore, urge that you insist that members of committee appointed to investigate the oil industry be selected from the House and not from the Interstate and Foreign Commerce Committee.

NORTH TEXAS OIL & GAS ASSOCIATION,  
C. P. MCGAHA, President.

And also these telegrams, which read as follows:

WICHITA FALLS, TEX., June 13, 1934.

I represent the Petroleum Producers Co. with 60 employees and a pay roll in excess of \$10,000 per month. We have been and hope to continue to abide by all provisions contained in the petroleum code, although it is quite difficult under the present price of crude. The "hot" oil racket has been increasing to such an extent that a drastic cut in crude prices is imminent. In the event it will be difficult to observe code labor requirements and compel us to make material reduction in our force. I trust, therefore, you will insist that Congress pass the Federal oil-control measure with 2-year limitation.

JOHN F. O'DONOHUE.

WICHITA FALLS, TEX., June 13, 1934.

This company employing 45 men compelled to close down until some action taken to alleviate conditions now existing in oil industry principally due to overproduction and illegal production of oil in east Texas and elsewhere which is demoralizing refinery prices to such an extent that refineries cannot hope to operate. We believe only solution left is passing Federal oil-control measure now before Congress. Hope you will lend your assistance and induce Congress to take action.

OLNEY OIL & REFINING Co.

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

Mr. McFARLANE. Yes.

Mr. KENNEY. Does the gentleman mean to convey the idea that Texas is not a law-abiding State and cannot control the oil situation, and that the whole State is controlled by oil bootleggers?

Mr. McFARLANE. Texas does not have a monopoly of law violators. Other oil-producing States have "hot" oil violators, the same as we have in Texas. The President tells us about the "hot" oil being produced, and this committee knows all about it. The gentleman's State has some of them, as has every other State; but when men come before the committees of Congress and admit that they are violating the law and say that the law cannot be enforced, then, I think it is high time for Congress to take notice of them and put some teeth into the law, to see whether we are going to turn this Government over to criminals.

Mr. KENNEY. Were there not many Members of Congress who appeared before the committee opposing this bill?

Mr. McFARLANE. Yes; two or three.

Mr. KENNEY. Oh, a lot more than that.

Mr. McFARLANE. Two or three that I know of, and there were quite a few who appeared in favor of the Disney bill. This resolution is of no benefit—if passed it could not and would not give the committee any information they do not now have.

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

Mr. McFARLANE. I yield for a question.

Mr. KELLER. I would like to know whether any consideration is being given here to the fact that if the oil prices are permitted to go down, you will throw out of work a quarter of a million coal miners in this country and disrupt our industry as nothing else will do.

Mr. McFARLANE. I thank the gentleman for his contribution. There is no doubt about it that 10-cent oil means every coal mine in the country must of necessity close down because they cannot compete with fuel oil at this price.

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

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert these telegrams.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Speaker, the oil industry is of such tremendous importance to the people of my State of Oklahoma, and for that matter, the entire Nation, that I feel justified in discussing the pending resolution. I do not want to lose my temper and I hope to find parliamentary language with which to discuss the resolution.

This resolution (H.Res. 441) was introduced June 14, 1934, and it authorizes the Committee on Interstate and Foreign Commerce, as a whole or by subcommittee, to investigate—

(1) The production, importation, storage, transportation, refining, purchase, and sale of petroleum and its products for the purpose of determining whether there is an excessive supply of petroleum and its products.

This information is published in the newspapers daily. Everyone knows when there is an increase or decrease in the production of petroleum. The oil administrator here in Washington has this information, which can be secured from him by telephone, and any member of the committee in 30 minutes could get any information on this point that a committee could get in 6 months.

Then the resolution follows:

Whether such excessive supply, if it exists, injuriously affects commerce in petroleum and its products and has the effect of rendering unprofitable the operation of wells of small but settled production and will cause their abandonment before the maximum economic yield is obtained.

This information could likewise be obtained within a short time. Two years ago, when I made an investigation, the records showed there were approximately 330,000 oil wells in this country, and that approximately 300,000 of them were producing less than 5 barrels per day. When the price of oil goes down to 15 or 20 cents per barrel, as it did 2 years ago, these small wells, many producing only 1 or 2 barrels, must be shut in, and if they are shut in and the casing pulled, the oil from these small wells is lost to the industry and the country forever, because it would be too expensive to reopen them again. The small producer, with a number of wells on the same hook-up, can afford to keep on pumping these small wells as long as the price of oil is around \$1 per barrel, but when the monopolists, through "hot" oil, flood the markets, and the price of oil is reduced, the small independent producers will go out of the picture forever. Everybody knows this that knows anything at all about the oil situation.

Following this, the resolution further states:

Whether premature extraction of petroleum from natural resources, induced by absence of restrictions upon the quantity which may move in commerce, results in waste and inferior uses.

Now everyone knows that an excessive production of petroleum leads to waste, through evaporation, sediment, and other causes, but information as to this is also to be had by the oil administrator and there is no need to investigate that.

Then the resolution continues:

Whether restrictions should be placed upon the quantities of petroleum and its products which may move in commerce when an excessive supply exists.

I am inserting here the entire resolution, which is as follows:

Resolved, That the Committee on Interstate and Foreign Commerce, as a whole or by subcommittee, is authorized and directed

to investigate (1) the production, importation, storage, transportation, refining, purchase, and sale of petroleum and its products for the purpose of determining whether there is an excessive supply of petroleum and its products; whether such excessive supply, if it exists, injuriously affects commerce in petroleum and its products and has the effect of rendering unprofitable the operation of wells of small but settled production and will cause their abandonment before the maximum economic yield is obtained; whether premature extraction of petroleum from natural resources, induced by absence of restrictions upon the quantity which may move in commerce, results in waste and inferior uses; whether restrictions should be placed upon the quantities of petroleum and its products which may move in commerce when an excessive supply exists, and, if so, whether such restrictions should regulate and coordinate commerce in petroleum and its products among the several States and with foreign nations, with fair and equitable apportionment among the States and among different operators and sources of supply; and whether commerce in petroleum and its products is of such a nature that it may be regarded as a unit for the purpose of establishing quotas irrespective of whether transactions are interstate or intrastate, or whether exportation or importation is involved; and (2) all other questions in relation to the subject of regulating commerce in petroleum and its products.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) during the present Congress the results of its investigation, together with such recommendations for legislation as it deems advisable.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas shall be issued under the signature of the chairman of the committee or any member designated by him, and shall be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

Of course, the whole resolution is camouflage. My good friend the gentleman from Texas [JOE EAGLE] made a vehement speech, but like a great many lawyers in criminal cases, when they have no testimony of their own, spend their time in abusing and attacking the opposing witnesses. That is regarded as ingenious, but my friend from Texas cannot get away with that in discussing this resolution. He argues against long-distance government; I have heard that since I was a boy. He abused the carpetbagger, just as I have heard hundreds of lawyers do in speaking to juries. I ask any Member of the House to search his memory, and I challenge any one of them to repeat one thing my friend from Texas said that was in the pending resolution. He did not mention the resolution. He knew it was meant as camouflage. He knew, of course, that the resolution was to be used as an alibi for not enacting the Disney-Thomas bill, demanded by President Roosevelt.

I inserted in the RECORD on June 7 a letter from President Roosevelt appealing to Congress to enact legislation which would save the oil industry from destruction.

Now, what is the difference between this resolution and the Disney-Thomas bill? The Disney-Thomas bill gives the oil administrator the authority to make this investigation. He can send for books and papers and examine oil men under oath. And what is its purpose? The production of oil is now prorated among the several States and among the several oil areas. This is for the purpose of keeping down the production of oil. The production in excess of the amount allowed is called "hot" oil. In other words, oil illegally produced. The letter which I placed in the RECORD on June 7, from President Roosevelt, states that the information as shown by the records of the Bureau of Mines during the first few months of this year show an average production of illegal oil of 149,000 barrels per day. Of course, the Bureau of Mines, the oil administrator, and the Department of Commerce, have now all the accurate data and information that a committee appointed under the pending resolution could secure in 6 months.

The committee declined to report out the Disney-Thomas bill. It had teeth in it and would accomplish a purpose. It would enable the Secretary of the Interior to make additional regulations, and the representatives of the oil administrator could go to the wells and examine the gages and definitely ascertain the amount of oil produced, and in storage, and the amount run.

Now, when oil goes down again, as it did 2 years ago, those who are strong enough financially, and who can build storage, will buy up this excess of "hot" oil at the low price, and when the small, independent producers are put out of business, and when all the small oil wells are closed and ruined, then the monopolists will raise the price of oil and make millions out of it. The oil-producing States will lose a large amount of revenue. My State of Oklahoma receives 3 percent of the gross amount of oil produced, and there is a vast difference between 3 percent on \$1 oil and 3 percent on 20-cent oil. The revenue derived from this tax in a large part pays the running expenses of the State, and a part of this money is distributed to the school fund and other funds, and every community in Oklahoma, whether oil is produced there or not, receives some benefit. Many farmers in Oklahoma, when the oil industry is prosperous, are able to lease their lands, sometimes miles away from production, for amounts which enable them to pay taxes and other expenses. When the price justifies there is much wildcat work done in the oil fields and much labor is employed at good wages. The oil industry has done much to develop the State of Oklahoma. It has helped build and maintain roads and bridges, has built cities and towns, and has paid income taxes to the State and Federal Governments.

This is a matter of such tremendous importance to my State and to the Nation that I feel justified in strenuously protesting against inaction on the Disney-Thomas bill and the consideration, in lieu of that bill, of this idle gesture in the form of a resolution. Members of Congress, when they go home and the price of oil goes down, and the independents and small producers go into bankruptcy, the only alibi they will have is that they did not pass the Disney-Thomas bill, which would give the oil administrator the authority for which he and the President asked to save the oil industry, but gave the country this idle gesture in the form of a resolution to make an investigation.

A few days ago the House Committee on Interstate and Foreign Commerce held hearings for part of a day on the Disney-Thomas bill, which was approved by the oil administrator and which the President has strongly urged should be passed, and now in support of the present resolution the committee said that it did not have sufficient facts to act on the Disney-Thomas bill.

I want to repeat and to emphasize that there is not a fact sought to be secured through this resolution that the committee could not have gotten and could not get now within 48 hours from the oil administrator, the Bureau of Mines, and the Department of Commerce.

When the price of wheat was low because there was production for which we could not find a foreign market, and the price reached the low level of 25 cents per bushel at the thrasher, Congress, without sending a committee all over the country, summoned representatives of the Agricultural Department, secured all the necessary facts, and passed the Agricultural Adjustment Act, which provided for reduction in acreage of both cotton and wheat.

This year when the Bankhead cotton bill, which provided for reduction of cotton production, was brought up, Congress did not send a committee all over the country to make inquiry and secure facts on which to base legislation, but secured the facts from the Department of Agriculture, and legislation was prepared, introduced, and enacted which has for its purpose controlling of production of cotton.

The Disney-Thomas bill has for its purpose placing teeth in the law to give the Secretary of the Interior, who is the oil administrator, additional power to inquire into the production of each well, and area, and State, and then to enforce the amount of oil allowed to be produced. In other words, make the operators quit running "hot" oil and keep the production in each State and community within the amount allowed.

A few days ago we enacted similar legislation for regulating production of tobacco. We did not send a committee to Virginia, North Carolina, or Kentucky to secure additional facts. They were already in the hands of the Department of Agriculture, and the legislation was prepared and passed.

When we want an excuse for not enacting legislation, then we must find some way around it. Frequently we appoint a commission to investigate and report. In this case we appoint a committee, without authority to do anything but investigate and report. The "hot" oil crowd, of course, will not be afraid of the members of this committee. The committee does not have authority to take action and is only authorized to sit and hear testimony, summon witnesses, and report. The bunch that is evading the law and running down the price of oil do not fear anything that the members of this committee may do.

I want to be frank with the House. I am in favor of preserving the oil industry. The independent producers are in favor of the Disney-Thomas bill. The big financiers in the oil industry do not favor it. They want to run "hot" oil. They do not want to comply with the rules and regulations of the oil administrator, and they do not want any legislation to be enacted by Congress with real teeth in it to compel them to comply with the law. They fear Federal legislation. They do not fear State regulation.

Members around me take the position that they are justified in voting for this resolution inasmuch as the Disney-Thomas bill has failed to be favorably reported from the committee, and that this is the best that can be gotten. I refuse to follow that kind of reasoning. My mental integrity will not permit me to vote for this camouflage resolution.

When I return home I will not need an alibi to present to the independent oil men, the laboring men, the farmers, and the business men, interested both directly and indirectly, in the oil industry, for my action here tonight. I am for the regulation of oil production and for legislation that will compel compliance with the rules and regulations limiting the amount of production in the various oil areas. I am not for this idle gesture. I am not deceived by the purpose of this resolution. I impugn the motives of no Member of Congress. There are many of them who are not familiar with the oil industry. They are under a great strain. The closing days of Congress have been most strenuous. Many of them are occupied with private bills and other legislation in which their districts and States are more interested. For that reason they do not have time to devote to an investigation relating to the oil industry.

However, when all the facts could be gotten in 48 hours, I cannot justify my action in voting for a camouflage resolution, which postpones the enactment of legislation for the regulation of the production of oil which is so vital and so necessary to enact at the present time. If "hot" oil is not being run, as stated by the President in his letter, why the objection to the Disney-Thomas bill? Those who want to comply with this law do not fear giving the oil administrator this additional authority.

Mr. BANKHEAD. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Speaker, I come from a congressional district that does not have an oil well in it. I think I reflect the views of every member of the committee when I say that our action is not to be interpreted that we have passed upon the merits of the Disney bill, either for or against, but simply that the jury is not yet ready to report a verdict and wants further information before it decides whether it should do so or not, one way or the other.

Here is the situation: At the present time, for the purpose of controlling the production of oil, there is the sovereign police power of the State of Texas that is capable of being invoked, and the Railroad Commission of the State of Texas that has the legal power to act in the premises. That commission claims it can control the situation and that it will control the situation. I do not know whether they will or not, but their official representatives say they can and will. Then we have the petroleum code as another agency for controlling the production of oil.

There was a decision by a three-judge court in Texas that seemed to take away from Secretary Ickes some of the power he thought he had under the petroleum code, but that was restored to him only recently by the circuit court

of appeals sitting at New Orleans, and with that power restored by the circuit court of appeals our committee felt that we should permit those existing agencies to control the situation if they can. If not, well and good. Then Congress will be called upon to act definitely in the matter. We felt that this resolution for the purpose of appointing a committee of inquiry to go down there, would act as a deterrent upon the illegal, bootleg production of oil; that it would be a club behind the door; that it would be notice to the bootlegging, illegal, "hot" oil artists, if there are any down there, that Congress will act next January if they do not behave.

Mr. DISNEY. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. DISNEY. If the danger to the second largest industry in the Nation is as imminent as men of respectable opinion consider that it is, what reason is there that we cannot have the resolution and the bill itself shortened as to time?

Mr. PETTENGILL. The gentleman from Oklahoma, for whom I have the greatest admiration, knows there is violent disagreement of opinion about that.

Mr. DISNEY. But there is nothing in the resolution that everybody does not already know.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. PETTENGILL] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Speaker, there is nothing seriously wrong with this resolution. I do not care one way or the other. I am not opposing it. It is all right to pass it, but there is nothing asked for in the resolution that cannot be procured in a few days right here. Nearly every Member of Congress knows the inquiries already in the resolution. The men from the oil States know the answer to everything in the resolution to start with.

There are just three elements opposed to the "Disney bill", so-called. First, there are those people who are against any invasion of the States' rights; but let me call your attention to the fact that while the word "dictatorship" sounds long and loud it is only a play on words. In Texas you have an "oil dictatorship", so-called, in the corporation commission, which does not enforce its regulations. In Oklahoma we have an oil-regulatory body in the corporation commission, a dictatorship, if you please. In California they have none; they handle it by agreement amongst themselves. Then there is a second element, those people who are making millions of profits on "hot" oil, while the honest man and the royalty owner sits by, following the regulations, taking 35 barrels from his well when the "hot oil" man next to him produces 1,000 barrels a day from his well, sells it at 10 cents, 20 cents, 30 cents, 40 cents, at any price to make a profit, while the other man, obeying the law, selling at \$1 a barrel makes no profit whatever.

The honest men in east Texas are going to quit following the law. They are going to turn their wells wide open, and this industry is going to pot, just like it was a year ago.

Then there is a third element. Nobody can be opposed to the Disney bill, the regulatory legislation, except those who can profit by it, the "hot" oil men and the monopolists. Why the monopolists? Because whenever they can depress the business and run the price down they can fill their tanks with millions upon millions of barrels of oil and hold it for a higher price and make an enormous profit, just as they have done for years upon years, saving a natural resource for an eventuality that might occur any week; and then when the price goes to \$2.50 a barrel the monopolists will make a fabulous profit.

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

Mr. DISNEY. I yield.

Mr. McFARLANE. If we vote down this resolution, we can pass the Senate bill tomorrow, can we not?

Mr. DISNEY. By a two-thirds vote we can pass the bill, if the Speaker will let us call it up.

Now, Mr. Speaker, let me say a word to the Democrats. The majority of the Republicans, from the coal States and

other States, are for the Disney bill. You Democrats are the ones who are going to take the gaff in offering this resolution in lieu of my bill today. This administration is the one that is going to have the trouble for passing a nonsensical resolution instead of an oil regulatory bill. Why do you stand by such trashy talk, that the monopolists are in control of Secretary Ickes and of the President of the United States? If you want to brand the President as being under the control of Shell, Dutch, and Standard, do so; but I shall not. I shall not take that burden.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, I want to make a short statement which I intended to make a few moments ago.

Mr. DISNEY. Mr. Speaker, will the gentleman yield one moment to let me make one additional statement?

Mr. COOPER of Ohio. I am sorry I have not the time; I have only 2 minutes.

Mr. DISNEY. If the gentleman from Ohio will permit, 40 minutes' run of the East Texas oil wells—13,000 of them—would produce enough oil to last the United States an entire 24 hours.

Mr. COOPER of Ohio. Mr. Speaker, as I stated a moment ago, I want to make a short statement which I intended to make when I had the floor a short time ago and my voice gave out. It is my opinion that it will be impossible to pass any oil legislation at this session of Congress. The Committee on Interstate and Foreign Commerce has adjourned sine die; but even though the chairman were to reconvene that committee, there would be no possible chance of reporting the bill back to the House before Congress adjourned.

A few moments ago it was stated that the Senate will pass the oil bill tomorrow and then it will be sent over to the House and we will pass it. Does this House want to pass on such an important, vital, far-reaching question as the regulation of the oil industry without any consideration whatsoever? I do not believe this House wants to do that. Would it not be far better to let this committee make an investigation and survey of the entire oil industry so that we can have the information at hand when we reconvene in January and then intelligently draft a bill for the regulation of this industry and present it to the House for passage?

Mr. DISNEY. If the gentleman will permit, we have all this information already.

Mr. COOPER of Ohio. That was one of the things that was worrying the committee; they did not have the necessary facts.

Mr. DISNEY. If the committee cannot distinguish between the truth and the facts, then the committee's work is useless.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, I have one of the largest oil producing and refining districts in the United States. I have independents in my district as well as major oil companies. May I say to the House that the number of independents that have written me shows that in the State of Texas, in my judgment, the majority of the independents want legislation. But it is not a question of what the independents want or what the major oil companies want. It is a question of what shall be the policy of the United States Government in reference to the conservation of a great natural resource.

In the State of Texas I have seen oil wells burning by the day. I have seen oil running down the ditches. There has been wanton and ruthless waste of natural resources in the United States. We at one time were a great timber country. They denuded us of our forests, wasting three-fourths of the timber.

Getting to this resolution, I regret that we did not get legislation this session, as recommended by the President,

but that is neither here nor there. This is a simple proposition of investigating fairly and impartially all sides of this question. A committee appointed as provided in the resolution, in my judgment, will be helpful and may be able to prevent a collapse in the industry. I am convinced that unless something is done inside of 30 days the price of oil is going to decline. The pay rolls of the oil industry in this country increased \$289,000,000 a year under the oil code. If the price of oil goes to 5 cents a barrel, that means unemployment, and bankruptcy to the small producing companies of this country, but it also means unemployment to the four or five hundred thousand coal miners in the United States, because the coal industry cannot possibly compete with 5-cent oil.

Mr. DISNEY. Does the gentleman know that the production of crude oil went up 100,000 barrels a day recently?

Mr. DIES. I have seen in the city of Washington "hot" oil trucks along Sixteenth Street. I have seen people take their automobiles on Sixteenth Street and buy "hot" oil, pays no taxes. That is going on throughout the United States, and we all know it. I sincerely hope and urge that this resolution will pass by a large majority.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. RAYBURN], the Chairman of the Committee on Interstate and Foreign Commerce.

Mr. RAYBURN. Mr. Speaker, I could have no personal interest in oil. There is not now nor has there ever been a drop produced in the district that I represent. I could have no personal interest in this resolution because I will not accept membership on this committee.

We are faced with a practical question. There is one thing certain. There will be no oil legislation at this session of Congress.

Mr. DISNEY. Will the gentleman yield?

Mr. RAYBURN. No; I do not yield.

Mr. Speaker, the Senate 2 weeks ago reported an oil bill. Why has not pressure been put on the Senate? The Committee on Interstate and Foreign Commerce of the House of Representatives held hearings on this bill and then the chairman of the committee called the bill up. I voted to consider the bill in committee. The committee voted 12 to 5 not to consider the bill during this session of Congress. The committee knew that was not an expression of the Membership on the merits of the bill. Members said they knew from talks with Senators that there was no chance for this bill to pass the Senate at this session. The Membership of the committee expressed themselves that it would be indulging in an idle gesture to bring in the Disney bill at this session of Congress.

I have no personal interest in this. The House can do what it pleases. If the gentleman from Oklahoma, who sponsors this legislation, and if other gentlemen from oil districts want to vote down this resolution to develop the facts, it is all right with me.

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

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

Mr. DIES. I may say to the gentleman if this resolution does not pass, it means the collapse, in my judgment, of the price of oil.

Mr. RAYBURN. That is what we think, because we believe, knowing that even though the House acted, there would be no legislation at this session of Congress because a dozen Senators have said they would filibuster it to death. Therefore, it is this resolution, this deterrent on "hot" oil, or nothing. Take it or leave it. It makes no difference whatever to me or to the committee that has devoted its time and whatever talent it has to the matter.

There has been some talk about the information before the committee. May I say, that we had gentlemen who came before the committee and who jumped at each other like two mad dogs. Each one of them denied the statement that the other had made. We want information. Our committee is not going to act until it has reasonable information so that it can act intelligently, and this House, I am sure,

does not want us to do other than just that. This is all we have a chance to do. It is not a question of whether we are in favor of "hot" oil. It is not a question of whether we want this industry to run riot. It is a question of doing all we have a chance to do at this session. Take it or leave it.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 112, noes 12.

Mr. BLANTON. Mr. Speaker, I object to the vote, because there is not a quorum present and I make the point of order there is no quorum present.

Mr. Speaker, a parliamentary inquiry. If we were to adjourn now, a vote in the morning would be the first thing on this bill?

The SPEAKER. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The Clerk called the roll; and there were—yeas 222, nays 36, not voting 171, as follows:

[Roll No. 194]

YEAS—222

Abernethy	Doughton	Kennedy, Md.	Reilly
Adams	Dowell	Kennedy, N.Y.	Richards
Allen	Duffey	Kennedy	Robertson
Andrews, N.Y.	Duncan, Mo.	Kerr	Rogers, Mass.
Arnold	Durgan, Ind.	Kocialkowski	Rogers, N.H.
Ayers, Mont.	Eagle	Kramer	Rogers, Okla.
Ayres, Kans.	Edmiston	Kurtz	Rudd
Bankhead	Edmonds	Lambeth	Ruffin
Beiter	Elcher	Lamneck	Sabath
Biermann	Ellzey, Miss.	Lanzetta	Sadowski
Black	Englebright	Larrabee	Sanders, La.
Bland	Fiesinger	Lehr	Sandin
Boehne	Fitzgibbons	Lemke	Schaefer
Boileau	Flannagan	Lesinski	Schulte
Boylan	Fletcher	Lewis, Colo.	Sears
Brown, Ga.	Foulkes	Lloyd	Secrest
Brown, Ky.	Frey	Lundeen	Shannon
Brunner	Fuller	McCarthy	Sisson
Buchanan	Fulmer	McDuffie	Smith, Va.
Buck	Gavagan	McGugin	Spence
Bulwinkle	Gilchrist	McReynolds	Strong, Tex.
Burke, Nebr.	Gillespie	McSwain	Stubbs
Byrns	Glover	Maloney, Conn.	Sutphin
Cady	Goldsborough	Maloney, La.	Taber
Caldwell	Goss	Mapes	Tarver
Cannon, Mo.	Granfield	Martin, Colo.	Taylor, S.C.
Carmichael	Green	Martin, Mass.	Terry, Ark.
Carpenter, Kans.	Greenwood	May	Thom
Cartwright	Gregory	Mead	Thomas
Cary	Griffin	Meeks	Thomason
Castellow	Guyer	Millard	Thompson, Ill.
Celler	Hancock, N.C.	Miller	Tinkham
Chapman	Harlan	Monaghan, Mont.	Turner
Clarke, N.Y.	Hart	Montet	Turpin
Cochran, Mo.	Henney	Moran	Uinstead
Colden	Higgins	Musselwhite	Underwood
Cole	Hildebrandt	O'Connell	Utterback
Colmer	Hill, Knute	O'Connor	Vinson, Ky.
Connery	Hill, Samuel B.	O'Malley	Wadsworth
Cooper, Ohio	Hoidale	Oliver, Ala.	Waldron
Cooper, Tenn.	Howard	Oliver, N.Y.	Wallgren
Cravens	Hughes	Owen	Warren
Crosby	Imhoff	Palmisano	Weaver
Cross, Tex.	Jacobsen	Parker	Weideman
Crowe	James	Patman	Welch
Cullen	Jenckes, Ind.	Perkins	Werner
Darden	Jenkins, Ohio	Peterson	Whittington
Dear	Johnson, Minn.	Pettengill	Willford
Deen	Johnson, Okla.	Peyster	Wolcott
Delaney	Johnson, Tex.	Pierce	Wolverton
DeRouen	Johnson, W.Va.	Polk	Wood, Ga.
Dickinson	Jones	Powers	Woodruff
Dies	Kahn	Ramsay	Young
Dirksen	Kee	Ramspeck	Zioncheck
Dobbins	Kelly, Ill.	Rankin	
Dondero	Kelly, Pa.	Rayburn	

NAYS—36

Adair	Crowther	Griswold	McFarlane
Andrew, Mass.	Darrow	Hastings	Mitchell
Arens	Dickstein	Keller	Morehead
Blanton	Ditter	Kinzer	Moynihan, Ill.
Chavez	Dunn	Kloeb	Reed, N.Y.
Cochran, Pa.	Eaton	Kniffin	Rich
Collins, Calif.	Ellenbogen	Lambertson	Schuetz
Condon	Focht	Ludlow	Strong, Pa.
Connolly	Gray	McFadden	Taylor, Tenn.

NOT VOTING—171

Allgood	De Priest	Lanham	Shallenberger
Auf der Helde	Dingell	Lea, Calif.	Shoemaker
Bacharach	Disney	Lee, Mo.	Simpson
Bacon	Dockweiler	Lehlbach	Sinclair
Bailey	Douglass	Lewis, Md.	Sirovich
Bakewell	Doutrich	Lindsay	Smith, Wash.
Beam	Doxey	Lozier	Smith, W.Va.
Beck	Drewry	Luce	Snell
Beedy	Driver	McClintic	Snyder
Berlin	Eltse, Calif.	McCormack	Somers, N.Y.
Blanchard	Evans	McGrath	Stalker
Bloom	Faddis	McKeown	Steagall
Boland	Farley	McLean	Stokes
Bolton	Fernandez	McLeod	Studley
Brennan	Fish	McMillan	Sullivan
Britten	Fitzpatrick	Mansfield	Sumners, Tex.
Brooks	Ford	Marland	Swank
Brown, Mich.	Foss	Marshall	Sweeney
Browning	Frear	Martin, Oreg.	Swick
Buckbee	Gambrill	Merritt	Taylor, Colo.
Burch	Gasque	Milligan	Terrell, Tex.
Burke, Calif.	Gifford	Montague	Thompson, Tex.
Burnham	Gillette	Mott	Thurston
Busby	Goodwin	Muldowney	Tobey
Cannon, Wis.	Greenway	Murdock	Traeger
Carden, Ky.	Haines	Nesbit	Treadway
Carley, N.Y.	Hamilton	Norton	Truax
Carpenter, Nebr.	Hancock, N.Y.	O'Brien	Vinson, Ga.
Carter, Calif.	Harter	Parks	Walter
Carter, Wyo.	Hartley	Parsons	Wearin
Cavicchia	Healey	Peavey	West, Ohio
Chase	Hess	Plumley	West, Tex.
Christianson	Hill, Ala.	Prall	White
Church	Hoeppel	Randolph	Whitley
Claiborne	Hollister	Ransley	Wigglesworth
Clark, N.C.	Holmes	Reece	Wilcox
Collins, Miss.	Hope	Reid, Ill.	Williams
Corning	Huddleston	Richardson	Wilson
Cox	Jeffers	Robinson	Withrow
Crosser, Ohio	Kleberg	Romjue	Wolfenden
Crump	Knutson	Sanders, Tex.	Wood, Mo.
Culkin	Kopplemann	Scringham	Woodrum
Cummings	Kvale	Seeger	

So the resolution was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Sinclair (for) with Mr. Mott (against).  
Mr. Hope (for) with Mr. Blanchard (against).

Until further notice:

Mr. McCormack with Mr. Snell.  
Mr. Corning with Mr. Luce.  
Mr. Busby with Mr. Bakewell.  
Mr. Steagall with Mr. Evans.  
Mr. Sweeney with Mr. Foss.  
Mr. McKeown with Mr. Bacharach.  
Mr. Mansfield with Mr. Beedy.  
Mr. Gasque with Mr. McLeod.  
Mr. McClintic with Mr. Doutrich.  
Mr. Lea of California with Mr. Beck.  
Mr. Kleberg with Mr. Fish.  
Mr. Disney with Mr. Lehlbach.  
Mr. Romjue with Mr. Stokes.  
Mr. Lanham with Mr. Marshall.  
Mr. Martin of Colorado with Mr. Carter of California.  
Mr. McMillan with Mr. Bolton.  
Mr. Gambrill with Mr. Bacon.  
Mrs. Greenway with Mr. Eltse of California.  
Mr. Milligan with Mr. McLean.  
Mrs. Norton with Mr. Merritt.  
Mr. Sullivan with Mr. Knutson.  
Mr. Prall with Mr. Britten.  
Mr. Huddleston with Mr. Culkin.  
Mr. Williams with Mr. Hollister.  
Mr. Parks with Mr. Muldowney.  
Mr. O'Brien with Mr. Traeger.  
Mr. Wilson with Mr. Ransley.  
Mr. Woodrum with Mr. Withrow.  
Mr. Parsons with Mr. Seeger.  
Mr. Hill of Alabama with Mr. Peavey.  
Mr. Truax with Mr. Reid of Illinois.  
Mr. Vinson of Georgia with Mr. Wolfenden.  
Mr. Taylor of Colorado with Mr. Treadway.  
Mr. Swank with Mr. Plumley.  
Mr. Shallenberger with Mr. Reece.  
Mr. Lindsay with Mr. Whitley.  
Mr. Lozier with Mr. Tobey.  
Mr. Bloom with Mr. Stalker.  
Mr. Douglass with Mr. Simpson.  
Mr. Smith of West Virginia with Mr. Thurston.  
Mr. Wearin with Mr. Wigglesworth.  
Mr. Collins of Mississippi with Mr. Swick.  
Mr. Crosset with Mr. Haines.  
Mr. Carley with Mr. Frear.  
Mr. McGrath with Mr. Buckbee.  
Mr. Sanders of Texas with Mr. Carter of Wyoming.  
Mr. Thompson of Texas with Mr. Cavicchia.  
Mr. White with Mr. Gifford.  
Mr. Crump with Mr. Chase.  
Mr. Harter with Mr. Goodwin.

Mr. Claiborne with Mr. Hancock of New York.  
 Mr. Haines with Mr. Hess.  
 Mr. Montague with Mr. Burnham.  
 Mr. Wilcox with Mr. Hartley.  
 Mr. Shoemaker with Mr. De Priest.  
 Mr. Wood of Missouri with Mr. Kvale.  
 Mr. Studley with Mr. Randolph.  
 Mr. Somers of New York with Mr. Smith of Washington.  
 Mr. Snyder with Mr. Robinson.  
 Mr. West of Texas with Mr. Sirovich.  
 Mr. Richardson with Mr. Scrugham.  
 Mr. Koppleman with Mr. Lee of Missouri.  
 Mr. Lewis of Maryland with Mr. Murdock.  
 Mr. Nesbit with Mr. Hoepfel.  
 Mr. Gillette with Mr. Hamilton.  
 Mr. Fitzpatrick with Mr. Drewry.  
 Mr. Fernandez with Mr. Berlin.  
 Mr. Dingell with Mr. Bailey.  
 Mr. Faddis with Mr. Allgood.  
 Mr. Dockweller with Mr. Cannon of Wisconsin.  
 Mr. Driver with Mr. Doxey.  
 Mr. Beam with Mr. Auf der Heide.  
 Mr. Carley of New York with Mr. Boland.  
 Mr. Ford with Mr. Carpenter of Nebraska.  
 Mr. Brennan with Mr. Clark of North Carolina.  
 Mr. Brooks with Mr. Church.  
 Mr. Carden of Kentucky with Mr. Brown of Michigan.  
 Mr. Burke of California with Mr. Cummings.  
 Mr. Burch with Mr. Cox.  
 Mr. Browning with Mr. Jeffers.

The result of the vote was announced as above recorded.  
 A motion to reconsider the vote by which the resolution was passed was laid on the table.

#### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. STRONG of Texas. Mr. Speaker, I call up a privileged resolution from the Committee on Accounts (H.Res. 442).

The Clerk read as follows:

#### House Resolution 442

*Resolved*, That the expenses of conducting the investigation authorized by House Resolution 441, incurred by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or by any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

With the following committee amendment:

At the end of line 10, insert a new section to read as follows: "Sec. 2. That the Official Reporters shall serve said committee at its hearings in the District of Columbia."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### PERMANENT APPROPRIATIONS

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file the report of the conferees on the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes.

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

There was no objection.

#### INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. BANKHEAD. Mr. Speaker, I offer a privileged resolution from the Committee on Rules, which I send to the desk. The Clerk read as follows:

#### House Resolution 336

*Resolved*, That a special committee of five be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than April 1, 1935, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collections and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before pri-

maries, conventions, and the contests and campaigns of the general election in November of 1934, or any special election held prior to January 1, 1935. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpoena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

Said committee is authorized to make such expenditures as it deems necessary, and such expenses thereof shall be paid on vouchers ordered by said committee and approved by the chairman thereof.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. MARTIN of Massachusetts. Is this the usual resolution passed before adjournment in an election year?

Mr. BANKHEAD. Yes; it has been the uniform practice of the House and Senate to appoint such committees, and unless there are some requests for time, I shall move the previous question on the resolution.

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

Mr. BANKHEAD. Yes.

Mr. WARREN. I think I should ask the gentleman this question. As one who is opposed to 90 percent of all these resolutions we are passing and thinking that the House has run investigation-wild, I would like for the gentleman from Alabama to say how much he is going to come before us tomorrow and ask for this investigation.

Mr. BANKHEAD. I will say to the gentleman from North Carolina that I, personally, do not expect to come before his committee unless I am invited to come. I am not the sponsor of the resolution.

Mr. WARREN. Will the gentleman from New York tell us how much he is going to ask for this investigation?

Mr. BLACK. I had intended coming before the Committee on Accounts and asking for a sum not to exceed \$10,000 and I doubt if we shall spend that much.

Mr. WARREN. I congratulate the gentleman upon his moderation.

Mr. BLACK. We have never spent that much.

Mr. BANKHEAD. I may say that this committee heretofore has spent very little money and we anticipate no particular reason why any large sum should be spent.

I move the previous question on the resolution, Mr. Speaker.

The previous question was ordered.

The resolution was agreed to and a motion to reconsider was laid on the table.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public grange, and for other purposes, disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. O'MAHONEY, and Mr. NYE to be conferees on the part of the Senate.



## SALARIES OF RURAL LETTER CARRIERS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 8919) to adjust the salaries of rural letter carriers, and for other purposes, with a Senate amendment and move to concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 20, strike out "6" and insert "5."

Mr. RANKIN. Mr. Speaker, will the gentleman yield?  
Mr. MEAD. Yes.

Mr. RANKIN. What is the effect of this amendment?

Mr. MEAD. This is the rural letter carriers' bill and they changed the equipment allowance from 6 cents to 5 cents, and have left in the other two House provisions.

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

## ADMINISTRATIVE FURLOUGHS, POSTAL SERVICE

Mr. MEAD. Mr. Speaker, I call up the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service, with Senate amendments thereto, and move to disagree to the Senate amendments and ask for a conference.

The SPEAKER. The gentleman from New York calls up the bill (H.R. 9046) with Senate amendments thereto, and moves to disagree to the Senate amendments and ask for a conference. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 1, line 7, strike out "any branch of."

Page 1, line 8, after "reduced", insert "beyond 5 percent in any one year."

Page 2, strike out all after "resignation" down to and including "law."

The SPEAKER. The question is on the motion of the gentleman from New York to disagree to the Senate amendments and ask for a conference.

The motion was agreed to.

The Chair appointed the following conferees on the part of the House: Mr. SWEENEY, Mr. BRUNNER, Mr. LAMNECK, Mr. KELLY of Pennsylvania, and Mr. DOUTRICH.

## EXTENSION OF STAR ROUTES

Mr. MEAD. Mr. Speaker, I call up the bill (H.R. 7212) to remove the limitation upon the extension of star routes, with a Senate amendment thereto, and move to concur in the Senate amendment.

The SPEAKER. The gentleman from New York calls up the bill (H.R. 7212) with a Senate amendment, and moves to concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 11, after "contract" insert "at not exceeding 50 miles."

Mr. WOLCOTT. Mr. Speaker, is there any difference in the amount of travel between the two bodies?

Mr. MEAD. The Senate amendment is practically the same as the House bill except that the Senate contains a repetition of the 50-mile extension.

Mr. WOLCOTT. With a 50-mile limitation?

Mr. MEAD. And they reinstate the 50-mile extension at the beginning and the end of the bill. It means the same.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

## ADDITIONAL FEE FOR REGISTERED MAIL, ETC.

Mr. MEAD. Mr. Speaker, I call up the bill (H.R. 7301) to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only or to the addressee or order, with a

Senate amendment thereto and move to concur in the Senate amendment.

The SPEAKER. The gentleman calls up the bill (H.R. 7301), with a Senate amendment thereto which the Clerk will report.

The Clerk read as follows:

Senate amendment: Line 8, strike out all after "Provided," down to and including "Service" in line 10, and insert "That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the Postal Service or nondelivery of the article or articles was due to some fault of the Postal Service."

The SPEAKER. The question is on the motion to concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

## SHIPMENT OF CERTAIN DRUGS TO BARBERS, ETC.

Mr. MEAD. Mr. Speaker, I call up the bill (S. 822) to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers, a similar House bill being on the calendar, and ask unanimous consent for the consideration of the Senate bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That the first proviso in the first sentence of the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, is amended to read as follows: "Provided, That the transmission in the mails of poisonous drugs and medicines may be limited by the Postmaster General to shipments of such articles from the manufacturer thereof or dealer therein to licensed physicians, surgeons, dentists, pharmacists, druggists, cosmetologists, barbers, and veterinarians, under such rules and regulations as he shall prescribe."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 54, was laid on the table.

## AIR-MAIL ROUTES AND CONTRACTS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 366, to simplify the administration of air-mail routes and contracts, which I send to the desk and ask to have read.

The Clerk read as follows:

*Resolved, etc.,* That subsection (d) of section 3 of the act entitled "An act to revise air-mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy", approved June 1934, is hereby amended by adding at the end thereof the following sentence: "The commission created under section 20 of this act shall review the designations made by the Postmaster General under this subsection, and include in its report to Congress its conclusions reached upon such review."

Sec. 2. The first sentence of section 15 of such act is hereby amended to read as follows: "After March 1, 1935, no person holding a contract or contracts for carrying air mail on a primary route shall be awarded or hold any contract for carrying air mail on any other primary route, nor on more than two additional routes other than primary routes."

With the following committee amendment:

Page 1, line 6, after the word "June", insert the figures "12."

Mr. MEAD. Mr. Speaker, in connection with the consideration of this resolution, I would like to make some agreement with the gentleman from Pennsylvania as to time. I shall require only about 5 minutes on this side.

Mr. KELLY of Pennsylvania. Mr. Speaker, I believe we should have 10 minutes on a side.

Mr. MEAD. That is agreeable to me. I ask unanimous consent that the time be limited to 10 minutes on a side.

The SPEAKER. Is there objection?

There was no objection.

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

There was no objection.

Mr. MEAD. Mr. Speaker, after the air mail bill had been agreed to by the conferees it was discovered that a number of the contracts awarded by the Post Office Department would terminate by reason of the restrictives in the bill, and that it would be necessary to call for new bids in 3 months' time. Under the terms of the bill as passed by the House this resolution would not be necessary.

The House bill created a commission, validated existing air-mail contracts, and authorized the Post Office to make new air-mail contracts for 1-year periods. The Senate bill as it came before the House conferees restricted the holder of an air-mail contract to one contract and to no other contract. The conferees succeeded in liberalizing the bill so that the holder of a contract could hold two additional contracts. In other words, any air-mail contractor could hold no more than three air-mail contracts. After the contracts were awarded, Members of the House and Senate began to realize that a number of companies which had been giving service to various sections of the country, particularly to the West, would lose some of their contracts. In other words, at the expiration of 3 months every contractor would have to conform with the provisions of the bill.

A misunderstanding between the Department and the committee as to routes and contracts contributes to the need for this legislation.

Its passage will prove beneficial to the Federal Government and helpful to the industry.

The provisions of the bill as liberalized by the conferees limited a contractor to but three contracts. If a contractor held a primary contract he could not hold another primary contract, though he could hold two additional secondary contracts. The conferees listed as primary contracts the four transcontinentals, and the east and the west coastal routes. As an illustration of what would happen, United Air Lines, with a contract between Newark, N.J., and Oakland, Calif., with another contract from Seattle to San Diego, and with two additional contracts, one north from Salt Lake through Pendleton to Seattle, and the other south from Salt Lake to Los Angeles, would have to give up its coastal route. To avoid confusion it was decided to introduce this resolution which will permit the Post Office Department to realine logically and properly these air-mail contracts into specific routes.

As another illustration of the need of this resolution, American Airways bid on a transcontinental route from Newark through Washington and Memphis to Fort Worth, and then on to Los Angeles, but that route was let in two contracts. Therefore, American would be charged with holding two contracts on one route, whereas United and T.W.A. would only be listed as having one contract on one transcontinental route, because these contracts were let at one and the same time. To enable the Department to list American Airways and its route from Newark to Los Angeles as one contract rather than as two contracts, this resolution is necessary. This resolution permits a realignment of all routes, and a review of the realignment by the Aviation Commission, who will in turn report to the Congress at the next session.

I deem it a victory for the House, because in the House air mail bill, after we created the Aviation Commission we left much of this work to that Commission. But the Senate bill which we considered in conference was more restrictive and it was necessary not only to liberalize it in conference but it was deemed necessary to liberalize it further by this resolution. This resolution will give the Department and the Commission the power they would be given in the House bill.

Mr. BUCK. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. BUCK. Will this bill permit a readjustment of these routes prior to the report to the next Congress?

Mr. MEAD. Yes. The adoption of this resolution will leave the Air Mail Service as it is, subject to realignment of routes by the Post Office Department, to be reviewed by the Commission, and the action taken will be submitted to the Congress in the next session.

Mr. BUCK. In other words, this overcomes sections 3 and 15 of the original conference report?

Mr. MEAD. The gentleman is correct. It will not disturb the air-mail service in the West, where existing contracts will continue in effect until the Commission reports to the next Congress.

Mr. BUCK. I thank the gentleman.

Mr. MEAD. Mr. Speaker, I trust the resolution will be adopted. I yield back the balance of my time.

Mr. KELLY of Pennsylvania. Mr. Speaker, there never has been a more perfect illustration of the wrong way to do a thing than the procedure in connection with the Air Mail Service since February 9, when all contracts were canceled without hearing or chance for defense.

It has been a medley of mistakes. The Army Air Corps, unprepared and unequipped, was forced to undertake the Air Mail Service with tragic results. After the Army had been flying for weeks, a bill was submitted to give authority for such action. The planes were all grounded on account of loss of pilots, and later a modified schedule was operated. A new measure was proposed and scrapped by the Post Office Committee of the House. Another measure was introduced, and after many changes, was passed.

When the conference report on that last measure was before the House I pointed out that it was so impractical and contradictory that changes would have to be made before it could be made to work. Before the ink was dry on the pen with which the President signed the bill this pending bill was before the committees of the House and Senate.

The title of this measure is "A bill to simplify the administration of air-mail routes and contracts." If it simplified the maze in which the Air Mail Service is involved it would be a consummation devoutly to be wished. In a way it does carry out the title, for it reduces the number of air-mail operators by providing that the Postmaster General may consolidate eight routes into three. One of the chief reasons alleged for the cancellation of the former contracts was the consolidation of routes. Here it is being done to a still greater extent.

The main purpose is to give American Airways eight contracts, when the law we just passed prohibits any contractor from having more than three.

Mr. McFARLANE. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. McFARLANE. Why should we not give it to them if they are the lowest and best bidders?

Mr. KELLY of Pennsylvania. Exactly. If competition in bidding is to be the principle followed, there should be no restrictions. The fact is, as I pointed out at the time, the revision was built on two opposite principles. It was a conflict of incompatibles. When the Air Mail Service had been established under competitive bidding over a period of 8 years, I believed that the time had come to make the operators common carriers and establish fair rates for the service given and pay on that basis to any qualified carriers.

However, the measure asked by the Department and passed by Congress provided for throwing open once more for bids all routes and all contracts. It was declared that small independent companies must be given a chance to get into the air-mail picture, and therefore no contractor should have more than three contracts.

American Airways was the lowest bidder on eight different contracts. If the original bill meant anything at all, that was exactly the contingency provided against by the limitation. The next action would naturally have been to order this contractor to select its three and throw the others open to further competitive bidding.

This bill is to prevent that action. American Airways is to get all the contracts, but they are to be merged into routes, three in number, and thus justice may be done.

Mr. Speaker, American Airways is no struggling, little independent, to be encouraged by a kindly hand in its infant weakness. On the contrary, this organization is, perhaps, the most powerful of its kind in the world. Its guiding genius is E. L. Cord, who owns the Cord Corporation, with its \$50,000,000 capital. He is president of the Auburn Auto-

mobile Co., with 500,000 shares of capital stock. He is chairman of the board of Stinson Aircraft, with 140,000 shares of capital stock.

Mr. Cord controls Aviation Corporation, one of the largest and most far-flung holding corporations in the aviation industry. When the Post Office Committee of the House was holding its investigation by direction of the House at the end of the Seventy-second Congress, we learned something about the Aviation Corporation. This holding company owned all the issued and outstanding stock of American Airways and all the issued and outstanding stock of Aviation Shares Corporations.

American Airways owned 86,000 shares of the capital stock of Thompson Aeronautical Corporation, which in turn owned all the stock of Transamerican Airlines Corporation.

Then the New York Aviation Corporation owned stock in the Bendix Aviation Corporation, Canadian Airways, General Aviation Corporation, Northwest Airways, Pan American Airways, Waco Aircraft Corporation, Western Air Express Corporation, and others.

No, Mr. Speaker, the independents are not especially benefited by this bill to give American Airways eight contracts. The representative of Mr. Cord, appearing before the Post Office Committee at a time when he held no air-mail contracts, declared the Cord interests would carry all the air mail of the United States at half the amount being paid. After Mr. Cord took control of Aviation Corporation and fell heir to the American Airways contracts we heard no more of such bargain rates.

What are these contracts that are to be realigned into routes to be operated by American Airways? Well, there is the Boston to New York, the New York to Fort Worth, and the Fort Worth to Los Angeles. These three can be consolidated into one route from Boston to Los Angeles. The rate bid on the route from Boston to New York was 37½ cents, from New York to Fort Worth 13 cents, and from Fort Worth to Los Angeles 39½ cents.

The second combination can be the contract from New York to Chicago via Buffalo and the contract from Chicago to Fort Worth via St. Louis. The bid on the first leg was 39½ cents and on the second 8 cents.

Other contracts can be consolidated into routes which would mean a total scheduled mileage of 5,000,000 miles annually, with payments of considerably over a million dollars on the present inadequate service schedules. Additions to the schedules will increase the amount paid.

Of course, there will be vast confusion in such a system. The same mail will be paid for at different rates of payment instead of one rate throughout the entire transcontinental line, as should be the case.

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

Mr. KELLY of Pennsylvania. I yield.

Mr. McFARLANE. Is it not true that the Cord group, mentioned by the gentleman, is one of the four largest holding corporations? I have no doubt that the gentleman is familiar with the others—United Aircraft & Transport, the Curtiss-Wright Corporation, and General Motors. Is not any of the three as large as the Cord group?

Mr. KELLY of Pennsylvania. There are other holding companies, and in my estimation none of them should have a permanent place in the air-mail system. Operating companies should be divorced from such interrelations, although of course it will require considerable time to bring about such action without sacrificing values through forced sales of securities held. Also, I believe General Motors is in a different category than these distinctive aviation holding companies.

Mr. McFARLANE. I understand that, but I am speaking of the financial set-up of the Cord group.

Mr. KELLY of Pennsylvania. The gentleman need not fear for the Cord group. It stands in the very front rank as to far-flung ramifications.

It is also true that United Aircraft will gain benefits from this bill, for it will be permitted to hold two lines which are designated as primary routes, even though the bill we so recently passed prohibited such holding after the first 90-day contract. Of course, United was the lowest bidder on both

routes and has a claim that it is entitled to both under the terms of the advertisements. This is another evidence that the bill recently passed contained a conflict in principle.

I do not say that this bill is not necessary. There will be other amending measures which will be just as necessary. It may be found that the contractors cannot divorce themselves from all their interrelations before the 1st of January. This will bring a serious problem which will have to be met in some way.

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

Mr. KELLY of Pennsylvania. I yield.

Mr. STUBBS. I recognize the gentleman from Pennsylvania [Mr. KELLY] as an authority on air mail, but I want to say that commercial clubs and airports up the Pacific coast, through California, are crying for this resolution. They are asking that we adopt this resolution for they say it will give them relief.

Mr. KELLY of Pennsylvania. Certainly that is true. I stated that they would be crying for changes in the law when it was passed only a week or two ago. The trouble was that an attempt was made to pass a permanent air-mail law with no real consideration of the Air Mail Service. There was desperate need for attempting to end the muddle in which air mail had become involved. Without open acknowledgement of the mistakes that had been made and an honest attempt to remedy them the results which are evidenced by this amending resolution were inevitable.

Practically all the things which were complained of at the time of the cancelation of contracts have been repeated since. Favors to certain corporations were charged. This resolution grants favors to certain corporations. It was charged that consolidations were being arbitrarily made. Here are consolidations effected by Congress at the request of the Department. Parallel lines were pointed out as an injustice. There are at least seven parallel routes under the new set-up. Conferences in the Post Office Department were charged, and yet there have been conferences with contractors within the last year.

Mr. McFARLANE. I think the gentleman ought to clarify the statement about conferences being held.

Mr. KELLY of Pennsylvania. In 1930 conferences were held between the Postmaster General and the contractors over the terms of a new law which provided a change from the weight system to the space system of payment. That was declared to be collusion. Yet in 1933 conferences were held between Post Office Department officials and the contractors as to the distribution of the new appropriation figure set by Congress.

Mr. Speaker, the Air Mail Service has been one of the great achievements of the United States Postal Service. It should lead the world in scope and efficiency. I will join hands with any officials who will help to build the Service. I hope the Commission provided in the law passed recently will make a real contribution by outlining a sound and worthy program through which mistakes of the past may be corrected and which will assure the people of the United States the kind of comprehensive, self-sustaining service to which they are entitled. [Applause.]

Mr. MEAD. Mr. Speaker, I yield 3½ minutes to the gentleman from Illinois [Mr. DOBBINS].

Mr. DOBBINS. Mr. Speaker, the gentleman from Pennsylvania contends that the prediction he made in the debate on the air-mail bill, which has recently become a law, has now been fulfilled. The assertion which the gentleman from Pennsylvania made at that time was that all that had been done in the Post Office Department in the way of the letting of temporary contracts and all that was included in the new air-mail act was wrong and that it would be necessary to change it entirely by new legislation. What this pending resolution does, however, is to validate and confirm even further than was done in the new act the actions of the Post Office Department in letting contracts to the lowest responsible bidder.

It happened in the case of some contracts which have very lately been concluded that there is more than one contract on a single through route. As is now pointed out,

the American Airways had a contract from Newark to Fort Worth and from Fort Worth to Los Angeles, together covering what is clearly and logically a single transcontinental route.

This joint resolution logically permits two or more contracts over one route to be counted as a single contract, in applying the limitation against one person holding an excessive number of contracts. The only other provision in this section extends until March 1, 1935, the prohibition against multiple contracts. This will allow the contracts that have been lately let at such advantageous figures be continued in effect until the aviation commission established by the law can give us the benefit of its conclusions on the subject of numerous air-mail contracts being held by one person or corporation.

The other section merely provides for a review by this commission of the alinement of routes by the Postmaster General. No real criticism of this joint resolution has been offered; and none can be, for it is clearly in the interest of the Government, the people, and an improved Air Mail Service. I do not believe there is any valid objection whatever to the passage of the resolution.

Mr. MEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The committee amendment was agreed to.

The joint resolution as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

#### USE OF SEIZED MOTOR VEHICLES FOR OFFICIAL PURPOSES

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3446) to authorize the Postmaster General to receive, operate, and to maintain for official purposes motor vehicles seized for violations of the customs laws.

The Clerk read the title of the bill.

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

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That any vehicle forfeited to the United States by a decree of any court for violations of the customs laws be ordered by the court, upon application of the head of the department by which the seizure is made, to be delivered to the Post Office Department for use in the enforcement of the postal laws and regulations.

Any vehicle acquired under the provisions of this act shall be utilized only for official purposes in the enforcement of the postal laws and regulations. The appropriation available for the maintenance of vehicles in the Postal Service shall be available for the payment of the expenses of maintenance, repair, and operation of said vehicles, including motor-propelled passenger-carrying vehicles. The said appropriation shall also be available for the payment of the actual costs incident to the seizure and forfeiture, and if the seizure is made under any section of law under which liens are recognized, for the payment of the amount of such lien allowed by the court.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table, and a similar House bill, H.R. 7302, was laid on the table.

#### FALSE RETURNS OF POSTMASTERS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3765) to enable the Postmaster General to withhold commissions on false returns made by postmasters.

The Clerk read the title of the bill.

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

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That that part of the act of June 17, 1878 (20 Stat. 141), which comprises section 45 of title 39, United States Code, is hereby amended to read as follows:

"In any case where the Postmaster General shall be satisfied that a postmaster has made a false return of business, or that a postmaster has mailed or caused to be mailed matter in order to obtain commissions on cancellations of stamps, it shall be within the discretion of the Postmaster General to withhold commissions on such returns and to allow any compensation that under the

circumstances he may deem reasonable or proper. The form of affidavit to be made by postmasters upon their returns shall be such as may be prescribed by the Postmaster General."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table, and a similar House bill, H.R. 7310, was laid on the table.

#### ADJUSTMENT OF CLAIMS OF POSTMASTERS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3766) to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended.

The Clerk read the title of the bill.

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

Mr. McFARLANE. Mr. Speaker, reserving the right to object, may we have some explanation of this bill?

Mr. MEAD. Mr. Speaker, within recent years we have called upon the postmasters to sell internal-revenue stamps and migratory-bird stamps. This bill adds to the items that can be adjusted in connection with losses accruing to the postmaster from the sale of the items, as well as losses resulting from recent bank failure. It carries on the existing law, and merely adds to the list of items that can be adjusted by the postmaster the several items that I have explained.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.,* That the first sentence of the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882 (22 Stat. 29), as amended (U.S.C., Supp. VII, title 39, sec. 49), be, and it is hereby, amended to read as follows:

"The Postmaster General may investigate all claims of postmasters, Navy mail clerks, and assistant Navy mail clerks for the loss of money-order funds, postal funds, postal-savings funds, postage stamps, stamped envelopes, newspaper wrappers, postal cards, postal-savings cards, postal-savings stamps, postal-savings certificates, United States war savings certificate stamps, United States Government thrift stamps, war tax revenue stamps, internal-revenue stamps, Federal migratory bird hunting stamps, and funds received from the sale of such stamps belonging to the United States in the hands of such postmasters, Navy mail clerks, or assistant Navy mail clerks, and for the loss of key-deposit funds, funds deposited to cover postage on mailings, and funds received as deposits to cover orders for stamped envelopes, in the hands of such postmasters, Navy mail clerks, or assistant Navy mail clerks, and for losses of customs charges collected on dutiable mail articles occurring after April 1, 1924, resulting from burglary, fire, or other unavoidable casualty, and for the loss occurring after April 1, 1924, by bank failure of any such funds deposited in National or State banks, and if he shall determine that such loss resulted from no fault or negligence on the part of such postmasters, Navy mail clerks, or assistant Navy mail clerks, may pay to such postmasters, Navy mail clerks, or assistant Navy mail clerks, or credit them with the amount so ascertained to have been lost or destroyed, and may also credit postmasters, Navy mail clerks, or assistant Navy mail clerks with the amount of any remittance of money-order funds, postal funds, postal-savings funds, funds received from the sale of United States war-savings certificate stamps, United States Government thrift stamps, war-tax revenue stamps, Federal migratory bird hunting stamps, and internal-revenue stamps, or other public funds, made by them in compliance with the instructions of the Postmaster General, which shall have been lost or stolen while in transit by mail from the office of the remitting postmaster, Navy mail clerk, or assistant Navy mail clerk to the office designated as his depository, or after arrival at such depository office and before the postmaster at such depository office has become responsible therefor, or to the postmaster at any other post office, or to the proper customs officer in the case of customs charges collected, and authorized shipments of postage and other stamp stock lost while in transit by mail from one postmaster, Navy mail clerk, or assistant Navy mail clerk to another postmaster, Navy mail clerk, or assistant Navy mail clerk, or to or from the Post Office Department, and such funds remitted after April 1, 1924, in compliance with instructions of the Postmaster General in the form of drafts or checks which have been returned unpaid or dishonored by reason of the closing of the banks issuing such drafts or checks: *Provided,* That in all cases of bank failure the postmaster shall first file with the receiver of the insolvent bank a claim for the full amount of the funds involved and assign such claim to the Postmaster General, who shall receive all dividends accruing in any such case."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table, and a similar House bill, H.R. 9120, was laid on the table.

FEE ON SECOND-CLASS MATTER

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3764) to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

The Clerk read the title of the bill.

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

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I have an amendment to offer to this bill, simply because under the provisions of the present law the fee which is charged for entry on second-class matter is not returned if the entry is refused. I think there should be some provision for returning half of the fee. It seems to me this is a bit of petty larceny on the part of the postal laws and the Government. We exact a fee of \$100, then do not return anything in case the entry is rejected and the applicant is out of pocket \$100 with nothing to show for his money.

Mr. MEAD. I may say to the gentleman from Wisconsin that if his amendment is acceptable on both sides of the aisle I shall accept it.

Mr. KELLY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. I may say to the gentleman from Wisconsin, while it is true that the fee that is paid by the applicant on his first application is not returned, if he makes a succeeding application then that fee is regarded and held until it is paid.

Mr. O'MALLEY. I have had the matter up with the Post Office Department in the last few days, and my direct information, not only from them but from a good many publishers, has been that each application must be accompanied with a fee of \$100. It takes about 20 minutes to examine an entry on a small publication. I have letters in my file where they tell me the law as it now stands prevents return of the fee. Here are the provisions of the law of 1932:

TITLE 39, SECTION 226A, SUPPLEMENT 7, CODE

Same. Fees for entry of publications as second-class matter: Each application for entry of a publication of second-class matter shall be accompanied with a fee of \$100. Each request for re-entry of a publication as second-class matter on account of a change in title, frequency of issue, office of publication, or for other reasons, and each request for additional entry of a publication as second-class matter shall be accompanied with a fee of \$10; each application for registry of a news agent shall be accompanied with a fee of \$20. (July 7, 1932, ch. 445, 45 Stat. 647.)

This is the law as amended in 1932 and I have just taken it out of the book in the reference library.

Mr. KELLY of Pennsylvania. The gentleman is correct in that they do not return it, but on the second application from the same applicant they do regard that fee as having been paid for the second application.

Mr. O'MALLEY. They require an additional \$10 for each reentry. Does the gentleman think it is fair to require anybody who wants to enter under the privileges of second-class matter to put up \$100 merely upon the chance or gamble of getting such entry allowed?

Mr. KELLY of Pennsylvania. No; I do not think so. I think the gentleman has a point there and it should be returned or held for another application.

Mr. BLANTON. What is meant by "reentry" is where they have a permit and it is taken away and then they make an application for reentry, they are then charged \$10.

Mr. O'MALLEY. Under this law the Post Office Department tells me each application must be accompanied by \$100 and if you fail to get entry allowed you lose the \$100.

Mr. BLANTON. That is the original application.

Mr. O'MALLEY. I do not think any legitimate business should be put to the expense of gambling \$100 upon the say so of any Government official.

Mr. BLANTON. They put the Government sometimes to an expense of \$100 in investigations respecting the application. But I favor the gentleman's amendment.

Mr. KELLY of Pennsylvania. If the gentleman from New York will yield, in the original request of the Department it was \$25?

Mr. MEAD. Correct.

Mr. KELLY of Pennsylvania. Our committee brought in \$50. What is the amount carried in the Senate bill?

Mr. MEAD. Twenty-five dollars.

Mr. KELLY of Pennsylvania. And the gentleman's motion is to accept the \$25?

Mr. MEAD. The gentleman from Wisconsin [Mr. O'MALLEY] has suggested an amendment of \$25 for the small papers of 2,000 and under, \$50 for those of 5,000 circulation and under, and \$100 for all others and that we return one-half if the application is rejected. I think the amendment is fair.

Mr. KELLY of Pennsylvania. The amendment is fair and should be adopted.

Mr. MEAD. The committee is willing to accept the amendment of the gentleman from Wisconsin.

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

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the first sentence of the act entitled "An act to provide for fees for entry of a publication as second-class matter, and for other purposes", approved July 7, 1932 (47 Stat. 647; 39 U.S.C., Supp. VII, sec. 226a), is hereby amended by striking out the first semicolon and inserting in lieu thereof a colon and the following proviso: "Provided, That the fee to accompany applications for entry as second-class matter of publications having a circulation of not more than 2,000 copies shall be \$25."

Mr. O'MALLEY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'MALLEY: On page 1, line 11, insert, after "\$25", the words "and of publications having a circulation of not more than 5,000 copies, shall be \$50: *Provided further,* That one-half of all fees collected under this section shall be returnable to the applicant upon failure of the applicant's publication to obtain entry under the provisions of this section."

Mr. TABER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I doubt if such a bill as this is necessary. You know, in some places all that is necessary for these institutions, lodges, and the churches to do to get their postal notices out is to get the use of the frank of a Member of Congress. If you do not believe it, I have in my hands the documentary evidence:

Congress of the United States, House of Representatives, Official Business—Free. G. FOULKES, M.C.  
Mr. R. Vernon, Washington Building, City.

It is postmarked "Washington, D.C., June 6, 1934, 7 p.m."

DEAR FRIEND:

This is on the other side:

In a public meeting at the Washington Institute Church of Christ, 1753 Corcoran Street N.W., Washington, Thursday night, June 7, at 8 p.m., Representative GEORGE FOULKES, of Michigan, will discuss legislation and other official business now pending before Congress. The subject of his address will be "The New Deal, the Old Deal, and America's Future." You are cordially invited to be present.

GEORGE FOULKES, *Congressman.*

Now, Mr. Speaker, frankly, I never supposed that this was a proper use of the frank. I supposed that we were only to use it in responding to letters and in writing letters about official business, or sending official documents, or in sending out parts of the CONGRESSIONAL RECORD.

I hope that what I regard as abuses of the franking privilege will not take place any more.

Mr. MEAD. Mr. Speaker, I move the previous question.

The previous question was ordered.

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

The amendment was agreed to and the joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

INDEPENDENT OFFICES APPROPRIATION ACT OF 1935

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9867), amending the Independent Offices Appropriation Act of 1935, which I send to the desk and ask to have read.

The Clerk read as follows:

*Be it enacted, etc.,* That in the administration of the provision of subparagraph (1) of section 24 of the Independent Offices Appropriation Act, 1935, amending section 201 of part II of the Legislative Appropriation Act for the fiscal year 1933, all service rendered by postal employees prior to July 1, 1932, and subsequent to June 30, 1932, shall be credited to the employees and such employees promoted to the grade to which they would have progressed had section 201 (suspending automatic increases in compensation) of part II of the Legislative Appropriation Act, fiscal year 1933, not been enacted.

With the following committee amendment:

SEC. 2. Amend the second proviso of section 4 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes", approved February 28, 1925, as amended (U.S.C., supp. VII, title 39, sec. 104), by striking out the colon at the end of the proviso and inserting a period in lieu thereof and the following: "Any fractional part of a year's substitute service will be included with his service as a regular clerk in determining eligibility for promotion to the next higher grade following appointment to a regular position."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. DINGELL. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: In line 7, following the word "postal", insert "and other officers and"; in line 8, following the word "the", insert "officers or"; in line 9, following the word "such", insert "officers or."

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain his amendment?

Mr. DINGELL. Mr. Speaker, I have discussed this with the gentleman from New York [Mr. MEAD], Chairman of the Committee on the Post Office and Post Roads, and we find that the bill covers just postal employees. Its purpose in the first instance was to circumvent a decision of the Comptroller General which denies, contrary to the intent and purpose of Congress, certain advances in line of promotion. This bill provides only for postal employees. I am sure it was the intent and purpose of Congress at the time of passing the economy act that any service accumulation, any automatic promotion during that period of time would not be lost, and this bill tends to correct that injustice.

Mr. MARTIN of Massachusetts. How much more does the gentleman extend it by his amendment?

Mr. DINGELL. It covers the Army, the Navy, and the Marine Corps and the Coast Guard, and other officers in the service of the United States Government. It is purely a matter of correction. It does not give back any money in the past. Where an employee had served, say, 10 years, the Comptroller General held that promotional privileges of that period are lost.

Mr. MARTIN of Massachusetts. If we should adopt the gentleman's amendment it would probably mean that the bill would be lost in the shuffle of the adjournment, would it not?

Mr. DINGELL. I do not think so. I am sure the Chairman of the Committee on the Post Office and Post Roads will accept the amendment. I do not see how the bill will be compromised. The Senate bill is in absolute harmony with this provision.

Mr. MARTIN of Massachusetts. Is it a House bill or a Senate bill?

Mr. DINGELL. This is a House bill.

Mr. MEAD. The bill was originally introduced with the amendment as it was.

Mr. MARTIN of Massachusetts. I am not objecting to the amendment, but I do not want to see the postal people lose their promotion through the adoption of an amendment of this kind at this late hour.

Mr. MEAD. I really believe the bill will be adopted by the other branch because the request that came to our committee also went there and it contains the language that the gentleman now seeks to insert in the bill.

Mr. MARTIN of Massachusetts. The gentleman is willing to take the responsibility?

Mr. MEAD. Yes.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. MEAD. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MEAD: Insert the words "or carrier in said delivery service" in line 13, on page 2, following the words "as a regular clerk".

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

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

C. F. COLVIN

Mr. HOIDALE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1804) to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield (Minn.) post office site litigation, and for other purposes.

The SPEAKER. The Chair cannot recognize the gentleman for Private Calendar bills tonight.

CONVEYING CERTAIN BUILDINGS, ETC., TO THE REPUBLIC OF HAITI

Mr. McREYNOLDS. Mr. Speaker, I call up the bill (S. 3739) authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti, which I send to the desk.

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman explain what the bill is?

Mr. McREYNOLDS. It is a bill offered at the request of the President of the United States. When the Marines and naval forces were taken out of Haiti, certain property belonging to the Government, consisting of buildings, old rifles, and so forth, were left there. This bill is to authorize the President to turn over to them such as he may desire.

Mr. MARTIN of Massachusetts. Now, about the rifles, how many are there of them?

Mr. McREYNOLDS. I suppose something like 2,800.

Mr. MARTIN of Massachusetts. Mr. Speaker, I am going to object to this bill at this time.

Mr. McREYNOLDS. Well, the member of the committee who raised that question said she would not raise that tonight.

Mr. MARTIN of Massachusetts. I am going to object to it now. The gentleman can call it up tomorrow.

Mr. McREYNOLDS. Will the Chair recognize me to move to suspend the rules and pass the bill?

The SPEAKER. Not at this time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I will withdraw my objection.

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

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That the President is authorized to convey to the Government of the Republic of Haiti, without cost to that Government, such buildings, materials, and equipment owned by the United States in Haiti as may appear to the President to be appropriate.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the President of the United States is hereby authorized, in his discretion, to transfer permanently and deliver to the Government of Haiti, without charge against that Government all right,

title, and interest of the Government of the United States in such hereinafter-named property, now in Haiti, as may appear appropriate to the President of the United States:

"(a) Equipment, supplies, materials; (b) buildings on land belonging to the Government of Haiti and land leased from private owners; and (c) three emphyteutic leases and one permanent easement covering four parcels of land used by the United States as a radio station at Port-au-Prince, Haiti.

"Sec. 2. The Government of Haiti shall assume all obligations of the Government of the United States under said leases and easements."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "An act to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti."

A. W. HOLLAND

Mr. BLACK. Mr. Speaker, I call up the conference report on the bill (S. 551) for the relief of A. W. Holland.

The Clerk read the conference report.

The conference report and statement are as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 551) for the relief of A. W. Holland, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

L. M. BLACK, Jr.,  
ROBERT RAMSPECK,  
U. S. GUYER,

*Managers on the part of the House.*

J. W. BAILEY,  
ARTHUR CAPPER,

*Managers on the part of the Senate.*

#### STATEMENT

H.R. 996, for the relief of A. W. Holland, was favorably reported by the House Committee on Claims in the amount of \$900. When this bill was called on the Private Calendar of the House an identical Senate bill, S. 551, which had passed the Senate, was substituted for H.R. 996 and amended by reducing the amount to \$600 instead of \$900 on March 1, 1934.

The Senate disagreed to the amendment of the House and asked for a conference. The House agreed to the conference, and Messrs. BLACK, RAMSPECK, and GUYER were appointed as conferees on the part of the House. Messrs. BAILEY, TRAMMELL, and CAPPER were appointed as conferees on the part of the Senate.

The bill was sent to conference May 21, 1934. The conferees met on June 5, 1934, and it was agreed that the House recede from its amendment.

L. M. BLACK, Jr.,  
ROBERT RAMSPECK,  
U. S. GUYER,

*Managers on the part of the House.*

Mr. BLACK. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

Laura Goldwater

Mr. BLACK. Mr. Speaker, I call up the conference report on the bill (H.R. 4253) for the relief of Laura Goldwater.

The clerk read the conference report.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4253) for the relief of Laura Goldwater having met,

after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

LORING M. BLACK,  
ROBERT RAMSPECK,  
W. A. AYRES,

*Managers on the part of the House.*

J. W. BAILEY,  
M. M. LOGAN,  
ARTHUR CAPPER,

*Managers on the part of the Senate.*

Mr. BLACK. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

#### CLAIMANTS AT LEAVENWORTH, KANS.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2418) for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners, with Senate amendment, and agree to the Senate amendment.

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

There was no objection.

The Clerk read the Senate amendment, as follows:

Line 10, after "appropriated" insert: ", out of any money in the Treasury not otherwise appropriated."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

#### EMERSON C. SALISBURY

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2414) for the relief of Emerson C. Salisbury, with Senate amendments, and concur in the Senate amendments.

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

There was no objection.

The Clerk read the amendments, as follows:

Page 1, line 4, after "to", where it occurs the second time, insert "Frank Salisbury, executor of the estate of."

Page 1, line 4, after "Salisbury", insert "deceased."

Page 1, line 5, strike out "of Leavenworth, Kans."

Amend the title so as to read: "An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

#### PAUL I. MORRIS

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2669) for the relief of Paul I. Morris, with a Senate amendment, and agree to the Senate amendment.

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

There was no objection.

The Clerk read as follows:

Line 5, strike out "\$764" and insert "\$630."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by incorporating in the RECORD certain correspondence referred to this morning in the discussion on the tin resolution.

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

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. LOZIER, for today, on account of illness.

Mr. KENNEY, for 3 days, on account of important business.

## IMMIGRATION BILL

Mr. THOMASON. Mr. Speaker, I was absent from the Chamber a short while this afternoon when there was the roll call on H.R. 9725, the Dickstein immigration bill. Had I been present I would have voted "nay."

## EXTENSION OF REMARKS

Mr. O'MALLEY. Mr. Speaker, in connection with my request to extend my remarks on House Resolution 412, I ask unanimous consent to include in the extension certain clippings to verify some of the statements I made.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. The gentleman has that permission.

Mr. KELLY of Pennsylvania. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman has that permission.

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. Mr. Speaker, I have been asked with reference to the request I submitted a while ago whether Members will be permitted to extend their own remarks on more than one address.

The SPEAKER. It will include as many addresses as they desire to extend in the RECORD up until the last issue makes its appearance. They can, however, extend only their own remarks and cannot include excerpts.

Mr. HASTINGS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HASTINGS. Mr. Speaker, will that extend to a revision of remarks such as I made on this oil resolution?

The SPEAKER. It will include such a revision of remarks but will be limited to the gentleman's own remarks.

## OIL INVESTIGATION

Mr. BYRNS. Mr. Speaker, on the occasion of the last roll call the following Members were absent, constituting the conference committee on the part of the House. They were in conference with the Senate conferees: The gentleman from California [Mr. LEA], the gentleman from Ohio [Mr. CROSSER], the gentleman from Missouri [Mr. MILLIGAN], the gentleman from Massachusetts [Mr. HOLMES], and the gentleman from Tennessee [Mr. REECE].

I ask that they be excused for not having answered to the roll call.

## SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 3705. An act to extend the boundaries of the Grand Teton National Park in the State of Wyoming, and for other purposes; to the Committee on the Public Lands.

## ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected;

H.R. 1503. An act to amend the act entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended;

H.R. 1567. An act amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court;

H.R. 3243. An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased;

H.R. 3296. An act for the relief of Carl F. Castleberry;

H.R. 3318. An act 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;

H.R. 3793. An act for the relief of Anthony Hogue;

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4579. An act for the relief of Dr. Charles T. Granger;

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation;

H.R. 4666. An act for the relief of Jerry O'Shea;

H.R. 4833. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 4952. An act for the relief of Theodore W. Beland;

H.R. 4957. An act for the relief of F. M. Peters and J. T. Akers;

H.R. 5018. An act to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*;

H.R. 5369. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928;

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in Citizens' Military Training Camp;

H.R. 5864. An act to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes;

H.R. 5947. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution;

H.R. 6238. An act for the relief of M. R. Welty;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6324. An act for the relief of Mabel Carver;

H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6366. An act making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government;

H.R. 6497. An act for the relief of James Henry Green;

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 6696. An act for the relief of William T. Roche;

H.R. 6781. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions;

H.R. 6898. An act authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans.;

H.R. 6998. An act for the relief of Capt. Frank J. McCormack;

H.R. 7067. An act for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians;

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.;

H.R. 7230. An act for the relief of J. B. Hudson;

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7272. An act for the relief of John W. Adair;

H.R. 7348. An act to amend section 3937 of the Revised Statutes;

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7387. An act for the relief of Royce Wells;

H.R. 7428. An act providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States;



- H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland;
- H.R. 7670. An act relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only;
- H.R. 7697. An act for the relief of William Chinsky;
- H.R. 7781. An act for the relief of Rosemund Pauline Lowry;
- H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress;
- H.R. 7893. An act for the relief of Ralph LaVern Walker;
- H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross;
- H.R. 8108. An act for the relief of Jeannette Weir;
- H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;
- H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased;
- H.R. 8460. An act to amend section 392 of title 5 of the United States Code;
- H.R. 8513. An act to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson;
- H.R. 8514. An act authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property;
- H.R. 8517. An act to provide for needy blind persons of the District of Columbia;
- H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas;
- H.R. 8639. An act to repeal certain laws providing for the protection of sea lions in Alaska waters;
- H.R. 8644. An act to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy;
- H.R. 8650. An act for the relief of B. J. Sample;
- H.R. 8688. An act for the relief of Stella E. Whitmore;
- H.R. 8700. An act to establish a Code of Laws for the Canal Zone, and for other purposes;
- H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.;
- H.R. 8728. An act authorizing the Secretary of War to lease or to sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.;
- H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut;
- H.R. 8909. An act to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio;
- H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries;
- H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beverage Control Act;
- H.R. 9143. An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War;
- H.R. 9234. An act to amend section 601 (c) (2) of the Revenue Act of 1932;
- H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;
- H.R. 9371. An act to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding \$40,000;
- H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.;
- H.R. 9402. An act to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks; construction, reconstruction, and extension of sewers, and construction of a combined city hall and fire department building, and for such purposes to issue bonds in any sum not exceeding \$50,000;
- H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass.;
- H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries;
- H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act;
- H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.;
- H.R. 9646. An act to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge;
- H.R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;
- H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purposes of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary;
- H.J.Res. 325. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbitrator; and
- H.J.Res. 341. Joint resolution authorizing an appropriation for the participation of the United States in the International Celebration at Fort Niagara, N.Y.
- The Speaker announced his signature to enrolled bills and a joint resolution of the Senate to the following titles:
- S. 852. An act to amend section 24 of the Trading With the Enemy Act, as amended;
- S. 1735. An act to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims";
- S. 2248. An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation;
- S. 3147. An act to amend the act approved June 28, 1932 (47 Stat.L. 337);
- S. 3230. An act creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.;
- S. 3404. An act authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes;
- S. 3723. An act to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases;
- S. 3530. An act relating to Philippine currency reserves on deposit in the United States; and
- S.J.Res. 130. Joint resolution to amend section 72 of the Printing Act, approved January 12, 1895, and acts amend-

tory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress.

#### EXTENSION OF REMARKS

##### SENATE RESTORES UTILITY COMMISSION APPROPRIATION

Mr. COCHRAN of Missouri. Mr. Speaker, when the Senate Committee on Appropriations reported the deficiency bill it carried an item providing for a sum that would restore the Budget estimate for the Utility Commission of the District of Columbia. The Senate had previously restored this sum in the District of Columbia appropriation bill but it was stricken out in conference.

I contended when the bill was before the House and I contend now that if this amount is not restored then the Utilities Commission will be helpless to properly perform the duties assigned to it under the law. This Commission, a true representative of the people of the District, should not be handicapped.

It has been contended by those that would reduce the appropriation below the Budget estimate that this commission has not brought about results that would warrant the present personnel being retained.

First let me say you have a new commission just appointed by President Roosevelt, with Raymond Keech, an outstanding public servant, now vice chairman. Keech's work as People's Counsel has been commended by even those who are opposed to the increase provided in the deficiency bill.

As evidence that this commission is functioning in a manner that results in financial benefit to the people of the District of Columbia, I call attention to the decision of Judge Adkins of the Supreme Court of the District of Columbia yesterday, June 14, in the case of the Chesapeake & Potomac Telephone Co. against Public Utilities Commission, etc., et al.

In this opinion which sustained the order on the Commission, telephone rates in the District of Columbia are reduced 10 percent. As a result of the decision there will be, as of June 15, 1934, \$786,711 for refund to telephone users in this jurisdiction. Furthermore, on the basis of this opinion, rates will be reduced annually \$500,000. This case was bitterly contested not only before the Commission but also in court.

In addition to this case, I direct your attention to the case of Potomac Electric Power Co. against Public Utilities Commission, decided by the Supreme Court of the District of Columbia in 1932. This opinion was the result of order of the Commission modifying the sliding-scale arrangement under which rates for power are computed. As a result of this decision, rates were further reduced to the extent of \$300,000 for the year 1932. A change in the formula likewise resulted in substantial reductions for the years 1933 and 1934 and should continue for the years to follow.

These two cases alone, both of which were contested in court, have resulted in savings to users and consumers of service in the District to the extent of over \$2,000,000.

This, without question, warrants the House in sustaining the action of the Senate.

##### NATIONAL WATER CONSERVATION IMPERATIVE—MISSOURI RIVER—DEVILS LAKE DIVERSION PROJECT

Mr. LEMKE. Mr. Speaker, I wish to call the attention of the Members of Congress and the people of this Nation to the necessity of water conservation. This Nation is going dry. Over half of our States have been listed as being in the drought area. It is time for us to awaken. The cause of this drought is due largely to overcultivation, overgrazing, and the drainage of lakes and water basins in the Great Plains States.

Before the advent of the white race in this region there were hundreds upon thousands of lakes, rivers, rivulets, creeks, coulees, and gullies, with an abundance of water the year around, while today many of these rivers and practically all of the rivulets, coulees, and gullies have gone dry, and hundreds and thousands of these lake bottoms are being farmed and cultivated. Many of these lakes and water

basins were drained by State and county governments in order to increase the cultivatable land.

This damage was done not deliberately, but because of ignorance of the final result—of the final accounting. It was done following the advice of James J. Hill, railroad empire builder, who informed us that in less than 50 years there would be a shortage of food to feed our own people—not only that, but a shortage of food throughout the world. Others of these lakes and basins were drained during the World War, when the Government demanded that the farmers produce more and more in order to win the war. Others because of the greed of man and the simple fact that he could not foresee the inevitable consequences which were sure to follow his action. So today water conservation is one of the most important problems confronting this Nation, ranking in importance over reforestation or forestation, because without water there can be no forests or vegetable life and, in the long run, no animal life.

Some of the soil and fertility of these drought-stricken States have been picked up by the winds and carried across the continent. A calamity has befallen these States that we cannot as yet fully comprehend, a condition that will be repeated and become permanent unless the water tables are restored. A disaster of this magnitude challenges the ingenuity and patriotism of our people. There is no question but that when once we realize the cause of this catastrophe that we will and can fully meet it—the American spirit of determination and progress will be equal to the occasion.

In all of these Plains States, and in fact in every State in the Union, nature has provided us with hundreds and thousands of watersheds and storage basins which, at a very small expense, could be turned into hundreds and thousands of lakes by building dams at the proper places so as to catch the water during rains or melting snows. This water is now being permitted to wander away to the ocean, where it serves no useful purpose. More than that, in its mad rush to reach the ocean, it occasions, at times, great property loss through floods, thus, not only leaving the place where it is needed by plant and animal life but destroying millions of dollars of property where it is not needed or wanted, and at the same time making possible a great American desert.

This is both a national and a State problem. The future welfare of both depends upon a proper solution. The Federal and State governments must cooperate; they must both become water-minded. The larger projects on the large and principal rivers must be financed and carried on by the Federal Government. The Federal Government must dam these rivers and divert some of the water to the larger lakes. The smaller projects, such as putting in small dams to impound the water in natural watersheds and basins and the distribution from the dams in the larger rivers to the small rivulets, creeks, coulees, and gullies, must and can be successfully done by the States.

I believe that my own State—North Dakota—with the cooperation of the American Game Association, was the first State in the Union that seriously took up the creation of artificial lakes. After nearly all of the 5,000 lakes that we once possessed were either drained and ditched into rivers and carried into the ocean or evaporated and dried up, North Dakota began to build artificial lakes. We now have in the neighborhood of 200 of these lakes completed, and, in spite of the severe drought, most of these lakes have plenty of water for domestic use. The trouble is that in place of 200 we should have had 5,000. In short, by the end of this year, with the aid of the C.C.C. camps, we will have added 25,000 acres of water to the State.

The people and the State of North Dakota have for years asked the Federal Government to construct a dam at Big Bend in the Missouri River near Garrison, N.Dak., and divert into Devils Lake, the flood waters which now find their way into the Atlantic Ocean with devastating destruction at times along the lower Mississippi Valley. The spillway crest of this dam would be approximately 148 feet above the present river bottom, with the top of the dam at an elevation of 168 feet above river bottom. When full to level of the spill-

way crest, it would impound approximately 10,100,000 acre-feet of water in a new lake approximately 140 miles long, with an average width of 1½ miles, to be known as "Dakota Lake." The entire cost of this dam, including property taken and tunnel for diversion of the flood waters into Devils Lake, is estimated by competent and eminent engineers at \$65,377,518. (See report on Missouri River Dam and Diversion Project, prepared by Burns & McDonnell Engineering Co., Kansas City, Los Angeles, and Cincinnati.)

Last fall Representatives and Senators, Governors and ex-Governors, prominent men and women, who believe in the welfare of this Nation, of North Dakota, South Dakota, Minnesota, and of nearly every State bordering on the Missouri and Mississippi Rivers, joined in a most urgent request that the Public Works Administration use some of the public-works funds appropriated during the special session, for the purpose of constructing this project. Millions of dollars have been given to projects of less importance, while this, the most important project ever presented to the Federal Government, is still awaiting action. I say most important—far more important than Muscle Shoals or any other public project now pending before the Public Works Administration, because human life, human happiness, and the welfare of this Nation are wrapped up in this project.

Just why projects of less value and less importance should always receive preference over the more worthy is, of course, a question that we may attribute to human shortcomings and understandings. It is perhaps because projects that require Federal aid generally also require a considerable sum of money, and it seems that Government officials always have shied and always will shy at large sums, and that the real meritorious projects are generally overlooked and millions of dollars spent on so-called "lesser projects", or should we say "pork barrel" projects.

If this project had been started and completed when first presented to the Federal Government it would not now be necessary to appropriate \$525,000,000 for drought relief because this project was presented some years ago and if this water had been impounded, then hundreds and thousands of artificial lakes would have been constructed in North Dakota, South Dakota, and Minnesota. The people would have become water-minded enough to do this and the table waters would again have been raised, and the drought would certainly not have been so extensive and so severe. The \$525,000,000 could now be used for water conservation purposes almost exclusively and several billions of dollars' worth of crops which have been lost and farm animals that have starved, or that it has become necessary to destroy to prevent starvation, would have been saved to this Nation, and human despair and desolation could have been avoided.

Even if last fall the Public Works Administration had seen fit to at least make a start on this project, there would be a different morale among the people of our Great Plains States. Why delay this project longer? We are confident that the administration is for this project; in fact, we know that it is. No administration ever took such a keen interest in water conservation, reforestation, and forestation as the present administration. In fact, everybody is for it. This is not a "pork barrel" issue—not a political issue—but a nonpartisan, national issue. We are all for it. Why not cut loose from the red tape and get busy? Why not start this project? It will have to be done and it is going to be done, because it is essential to the future happiness and prosperity of the people of this great Nation. American ingenuity, American patriotism, and American determination are not only going to demand that this project be completed, but will demand like projects in other States of the Union. This is a national question.

In 1880, when the Government land survey of North Dakota was made, there were approximately 5,000 lakes of sufficient size and importance to be recorded on the original maps and a somewhat similar number of rivers and rivulets, gullies, and coulees. Early records and reports of Indians, trappers, and settlers show there was an abundance of water

supply, with many lakes of fresh water, flowing springs and streams, and an abundance of game, fish, and wild life.

During the past two or more decades the drying up of lakes, the disappearance of springs, the diminishing flow and run-off of rivers, and the lowering of ground-water levels have caused an increasingly alarming situation, with many cities facing the problem of obtaining an adequate water supply. In addition, farmers' wells are failing and many of them are compelled to haul water many miles for stock and domestic uses.

One of the outstanding examples of the decrease of surface water is Devils Lake. In 1883, when the Government survey of the lake was made, it had an area of 115 square miles and a maximum depth of 35 feet. In 1912 it covered an area of about 60 square miles and had a maximum depth of 21 feet. In 1933 it had a depth of not more than 7 feet with an area of less than 30 square miles, a decrease in depth of 25 feet and in area of over 90 square miles in 50 years. In other words, the table waters in North Dakota have fallen 25 feet in 50 years. Is there any wonder that the trees on these prairie lands are dying? Is there any wonder that throughout the regions of North Dakota, South Dakota, Minnesota, Nebraska, and other adjoining States there is real alarm?

The Red River of the North, the Sheyenne, the James, and other rivers cease flowing during the major part of the year, while these streams used to have an abundant flow the year around. While all this is going on we are permitting the mountain waters that pass through the State by way of the Missouri River to help occasion floods in the lower Mississippi River valley. Let us do the intelligent thing—the only thing—and divert these waters where they belong—in these drought-stricken States. Let us use some of the Public Works money for the Missouri River-Devils Lake diversion project.

In conclusion, if this is done, we in North Dakota and in adjoining States will create hundreds and thousands of artificial lakes by the construction of small dams. Devils Lake will again be refilled to somewhere near its original level; the Sheyenne, the James, and the Red River of the North will be kept flowing; Lake Traverse, in Minnesota, will be refilled—electricity and power will be furnished to the cities, towns, and farms. We will assist in preventing the devastating floods on the lower Mississippi. We know that this project can be put on a self-liquidating paying basis and save the people of this Nation billions of dollars in wealth.

Last, but not least, these States are now thoroughly water-minded and aroused to the need of water conservation, and they now have determined upon a permanent program. Game refuges will be established every few miles, with trees, grass, and brush to preserve the snows and rains as well as to protect game and wild life. Give these States this project now and they will again show the way to prosperity, contentment, and happiness.

Give us this project and then in the next session of Congress we will pass the Frazier-Lemke bill—the bill that was delayed by the gag rule of this session—refinancing the farm indebtedness at 1½ percent interest and 1½ percent on the principal until paid, not by issuing bonds, but by issuing Federal Reserve notes. In addition, we will pass the cost-of-production bill for that part of the farm products consumed within the United States. With this triple-barreled program, the farmers will again have sufficient rain and moisture to produce sufficient crops and get a sufficient price to be able to pay Uncle Sam \$6,345,000,000 in interest in 47 years, under the Frazier-Lemke bill—a splendid investment for Uncle Sam. This is a national as well as a State problem. The Federal Government and the States must and will cooperate in bringing about this water-conservation program.

#### LOANS TO FRUIT GROWERS

Mr. WOLVERTON. Mr. Speaker, the object of this joint resolution (S.J.Res. 106) introduced by Senator KEAN of New Jersey, is to authorize the Farm Credit Administration to make loans to fruit growers for necessary expenses to

rehabilitate their orchards during the calendar year 1934, in the same manner and under the same terms and conditions as in the case of loans under the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes", approved February 23, 1934.

The severe storms in August 1933 and the very severe winter of 1933-34 either destroyed or inflicted substantial damage to fruit-bearing trees throughout the entire State of New Jersey. Other sections of the country were likewise seriously affected, including New England, New York, Pennsylvania, Delaware, Maryland, Ohio, Indiana, Illinois, and Michigan.

In the State of New Jersey—and the same is also true elsewhere—the peach crop for the present year was almost, if not totally, destroyed. Not only did the unusually severe cold weather of last winter destroy the prospect of any yield during the year 1934, but in addition thereto so damaged the trees that their future usefulness will be entirely destroyed unless immediately treated and rehabilitated. The cost of this work is beyond the present ability of our farmers to pay. They cannot procure loans from banks, because, through destruction of this year's crops, there is no possibility of payment until the returns are had from the season of 1935. This type of loan is too long for the average bank in an agricultural section to carry. In addition to the losses and financial difficulties the outgrowth of the severe cold of last winter, the worst in 50 or more years in this section of the country, there is also the further loss suffered by these farmers as a result of the heavy storms of last summer, 1933, which destroyed their fruit crops to such an extent that practically nothing was received. It can, therefore, be easily seen that with no income since 1932 and none in prospect until 1935, the heavy expense of saving these orchards for future usefulness cannot be carried by these farmers unless means are provided to enable them to obtain loans from the Farm Credit Administration.

This joint resolution seeks to apply to them the principle adopted in the case of the emergency crop production loans in the drought- and storm-stricken areas. The loans as provided for in the resolution shall bear interest at a rate not to exceed 5½ percent per annum, and they may be made for a period of not more than 5 years and for a principal sum of not more than \$5,000 to any one borrower. The resolution further provides that a first lien on all crops harvested during the years 1934-38 shall be the basis of security for the loan.

The general provisions of the Emergency Crop Production Loan Act, such as those providing for applications for loans, collections, penalties in connection with charging fees for assisting in the preparation of applications, and so forth, are made applicable to loans made under this resolution.

To carry out the provisions of the resolution there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000,000, or so much thereof as may be necessary.

During the years that I have served in this House, representing the First District of New Jersey, I have been sympathetic to and have supported the appeals that have come from the farmers of other sections of our country, when economic and natural causes have brought distress to them. This is the first time during all these years of service that it has been necessary to specifically direct your attention to a condition that affects the farmers of New Jersey, different in character than that which prevails generally throughout the country. Our farmers have been courageous in their struggle against the distress brought on them by the economic conditions prevailing throughout the Nation, but, they cannot, in addition thereto, withstand the losses that have come upon them through the action of the elements; consequently, they ask of this House favorable consideration of the present resolution. Knowing as I do the courage, honesty, and integrity of these men, I can assure the House that these loans, if granted, will be returned to the Government without loss. I can give this assurance be-

cause the record of repayment made by New Jersey farmers in the past will justify it. I ask adoption of the resolution by the House.

#### AMENDMENT TO THE RAILWAY ACT

Mr. HESS. Mr. Speaker, I understand that this bill was developed by the Federal Coordinator of Transportation in keeping with the directions to him through the mandate contained in the Emergency Railroad Transportation Act, which provides that he shall study railroad labor relations. It does not introduce any new principles into the Railway Labor Act, which Congress passed in 1926. That act provided that railway employees should have the right to organize and bargain collectively through representatives of their own choosing.

A large number of railway employees have been denied an opportunity to exercise that right because the Railway Labor Act has not clearly set forth provisions essential to make it effective. This bill clearly states that the employees shall have the right to organize and bargain collectively, and I am sure that there is no Member of this House that would find objections to that. It simply provides that railway employees shall be free to join the labor union of their choice. It does not favor any particular variety of labor union so long as it is the employees' labor union and is free from the control of the employer.

Dummy unions have been established in the railroad industry for certain classes of employees. I understand that huge sums of money are expended by the railroads to control these company unions. In many instances nothing whatever is contributed by the employees in the way of financial support to these company unions. This expense is borne by the public indirectly in the freight and passenger rates they pay.

The bill seeks to make it illegal for railroad corporations to use their funds to maintain company unions. If railroad employees are to enjoy the right of collective bargaining, then they should be represented by true representatives in a position to serve them.

The bill further provides that boards of adjustment shall be created upon which labor and management will be equally represented. These boards are to adjust controversies that develop between railway employees and the managements over the application of their contracts concerning wages and working conditions. The present Railway Labor Act provides for substantially the same machinery, with this difference, however, which is a very important matter; at the present time these boards, which have been established, deadlock because they are evenly divided and as a result the agreements the employees have with the railroads are practically nullified because railroads can violate them at will and there is no effective machinery to decide the controversy.

This bill provides for the addition of neutral or impartial persons to the boards and thereby makes it possible for the boards to reach decisions. There is but little expense to the Government and what there is will be taken care of through such economies as the United States Board of Mediation will be able to make because it will now no longer be necessary for that Board to undertake to aid the parties to settle these disputes through mediation and arbitration. The expense of such proceedings is now borne by the Federal Government.

I am heartily in favor of this legislation and think it is a step in the right direction. I hope that Members of Congress will vote for its passage. It will aid in maintaining industrial peace and assure to railway employees the opportunity of exercising that right which is theirs to organize and bargain collectively.

#### THE ORDERLY USE AND PRESERVATION OF THE PUBLIC RANGE

Mr. TAYLOR of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include some statements made by me and others on April 26, 1934, before the Senate Committee on Public Lands and Surveys in relation

to H.R. 6462, a bill to provide for the orderly use and preservation of our remaining public range, as follows:

Representative TAYLOR. Mr. Chairman and gentlemen of the committee, this bill as now framed is the result of efforts begun along this line many years ago.

It is needless for me to say that I do not claim the individual authorship of it, although I helped to write it originally and have been supporting it ever since that time. During the Seventy-second Congress it was handled by the then Chairman of the Public Lands Committee of the House, Mr. Colton, of Utah. It was passed through the House as the Colton bill. It came over to the Senate, just before Congress adjourned, and this committee gave us a brief hearing, and then they took no further action on the bill.

When this Seventy-third Congress convened I reintroduced the same bill. It had section 13 in it, that none of us liked, but which was forced in on us by the people who were very bitterly opposed to the bill in the House, and passed in the House with that section in it; therefore I introduced the bill at this session exactly as it passed the House, and I thereafter reintroduced it leaving that section out.

Gentlemen of the committee, I want to revert back a third of a century and present what is uppermost in my mind. I have lived in the West all my life; most of you will remember that soon after Theodore Roosevelt became President, he commenced a national conservation crusade to conserve the timber of our country from exploitation, and to preserve the public range and prevent erosion. He vigorously carried on that crusade for several years. We people in the West fought him to the utmost limit. Even with our vigorous western vocabulary we could not find words vehement enough to express our denunciation of the Pinchot-Roosevelt policy of taking over the control of the public domain. We felt that that was our inherited birthright—I mean the unrestricted right to graze our stock upon the free open public domain. But notwithstanding our vigorous opposition he boldly carried on his policy for several years, and finally put about 130,000,000 acres of the public domain into forest reserves. That was done over the vigorous protest of practically everybody in the West.

The result has been that the Forest Service has administered that vast domain ever since. I think I am safe in saying that today there isn't a corporal's guard of people anywhere in the West that would think of turning that domain back to the free, open, unrestrained use, exploitation, and loot to be occupied by force and by the law of the jungle. The result has been to preserve the timber, to preserve the grazing, to apportion the grazing rights fairly, to protect the big and the little fellow, and it has prevented endless bitter strife. For illustration, I might mention that when I was district attorney of northwestern Colorado, 1887-89, I prosecuted eight different murder cases at one term of court, the greater number of them being the outcome of fights over the use of the range, mostly between cattle and sheep grazers.

We now have that great example before us; and I believe that history will record that the two greatest things that President Theodore Roosevelt ever did were (1) making possible the construction of the Panama Canal, and (2) the creation of this 130,000,000 acres of forest reserves throughout the 11 Western States.

Now, President Franklin D. Roosevelt and his Secretaries, Secretary Ickes, of the Interior, and Secretary Wallace, of Agriculture, are trying to do the same thing for the 173,000,000 acres of our remaining public domain. It is practically that and nothing more. We are earnestly trying to preserve that great national asset from wanton destruction. We are trying to systematize the use of it, to bring order out of chaos; to stabilize the livestock industry in an orderly and lawful way the same as it is in the forest reserves.

If any of you listened to Speaker RAINY the other day over the radio, you heard him deliver a splendid and learned address on Conservation and Civilization. I inserted his address in the CONGRESSIONAL RECORD of April 17. He specifically mentioned the present conditions in a number of countries of the world. He called attention to the fact that the great Sahara Desert was at one time covered with dense verdure and was populated by a vast number of people and that it evidently then was a prosperous country. I call your attention to the fact that we are rapidly permitting the creations of small Sahara Deserts in every one of our Western States today. We have such a condition in the southern part of Colorado at this time, where there is nothing left but sand, which drifts back and forth hither and yon with every breeze.

Now, gentlemen of the committee, we of the West do not want that condition to increase, as it is doing. The public-spirited, far-sighted people of this country, whether you call them conservationists or not, are patriotically trying to preserve a very great national heritage. It is a great national conservation policy and nothing else. There is no intention or thought of putting any hardships upon any of the people of the West.

Secretary Ickes says he has the necessary force and he fully believes that he can administer this whole 173,000,000 acres for \$150,000 a year in conjunction with the Forest Service. Of course, whether that estimate is correct or not is not a matter for us to hesitate over. It is a question, gentlemen of the committee, whether or not you want to permit this administration to preserve what is left of this great remaining heritage of our country, 173,000,000 acres of open public domain.

Now, that is the bald proposition before you. Do you admit that order and property control is right or do you want to continue the present reckless and wantonly destructive exploitation and waste of it? I might mention that there were some 15,000

sheep from the State of Oregon in my congressional district for 2 or 3 years. There is no restraint on them whatsoever. They eat out both the summer and the winter range of the local people, and destroy the mountain roads and are a frightfully devastating nuisance.

But that is not the worst of it. There are thousands of small ranchmen, local settlers, on all the little creeks; and those large nomadic herds, paying little or no taxes, and roaming around carrying on their grazing operations unrestrained, eat out the forage right up to the very gardens and doors of the local settlers. They do not leave enough range for local people's milk cows or their work horses or their small bands of stock. There is no regulation, order, system, or control over them whatsoever. I cannot resist feeling that the opposition to this bill comes very largely from people who do not want any regulation or control over the public domain.

I fully realize that there has always been more or less criticism of the Forest Service and that many perfectly honest people are opposed to or apprehensive of the policy of extending that system to the remaining public domain and fear additional charges and regulations. But I believe I represent a thousand people who will be ultimately benefited by this law to one that will be injured by it.

As you are all fully aware, there are a great many different ways of killing a bill. The most common way is by inserting amendments that destroy it. This bill has been shot at from all directions and at all times. It started years ago with a short bill of about a dozen lines, just turning over to the Interior Department jurisdiction of this remaining public domain. Then many Members wanted various restrictions and detailed regulations, until now we have 12 pages, mostly consisting of regulations. The Forest Service is not handicapped in that way. The Agricultural Department is not put in a strait-jacket and hamstrung in that manner. The forest reserves were created and afterward just turned over to the Agricultural Department, and they have ever since been administered and controlled by regulations which they made, and they have made them only as they needed to work them out to meet practically existing conditions or conditions as they developed, and they have been a great success and are now, generally speaking, satisfactory.

It is true that the Forest Service has been very actively engaged in that work for something like 28 years, and we cannot expect this problem to be worked out at once.

Now, the reason that this bill provides for dual control is that we tried for years and years to get the Secretary of Agriculture and the Secretary of the Interior to come together and agree upon some bill of this kind. But each one of them insisted upon having the jurisdiction over this land. The Forest Service said they were handling the forest reserves and that this should be placed under their control. The Interior Department said they had charge of lands so far as surveys, and patenting them, and granting homesteads, and granting oil and mineral and other rights were concerned, and they refused to give up jurisdiction to the Agricultural Department.

I was opposed to the transfer of the forest reserves from the Interior Department to the Agricultural Department, because many of us felt that the Interior Department better understands and has a more liberal policy toward the public-land settlements than has the Agricultural Department. As doubtless some of you have learned, it is pretty nearly as hard to get a homestead out of the forest reserves as it is for a camel to get his nose through the eye of a needle. We do not believe that the Interior Department would interfere with the proper or reasonable settlement of the public domain. That Department has always encouraged honest settlements and homesteads. But let me say this to you about this remaining public domain: Whether land there is now left has been walked over for 50 to 75 years and no human being has ever thought of it as worth taking. In addition, half of all the homesteads that have been taken up in recent years have been abandoned, as shown by the records, and many thousands more are abandoned that are not shown on the records. If you will pardon a personal reference, I may say that for a number of years I was given a great deal of credit for being the author of the 640-acre stock-raising homestead law. After a long struggle I did pilot it through the House, and it was approved by President Wilson on December 29, 1916. There have been 125,000,000 acres of public domain set aside as subject to entry under that law, and there has gone to patent something like 25,000,000 acres under that law; and I dare say that more land has gone to patent under the stock-raising homestead law than under any other law Congress has ever enacted, except the original 160-acre homestead law. There are some 17,000,000 acres now under application. That was and is a splendid law, if honestly used, and generally speaking it has been very popular and beneficial, wherever its intentions and terms have been complied with. But in recent years the law is often used not in good faith for a home, but as a subterfuge to hold a range.

The way they do it is this: People go and file on 640 acres and then they do not live on it or do anything with the lands for several years; and when his time is up and he is required to do something, or if he is investigated, he relinquishes, and some associate of his files on it, and he holds it as long as he can without spending anything on it. That is the way they are holding the lands as a subterfuge for the purpose of maintaining the grazing privileges of those lands. I understand some of them have been prosecuted and convicted for frauds of that kind.

Gentlemen of the committee, there is scarcely any vacant land anywhere in the West today that a man can make a living for himself and family on, either 160 acres or 640 acres. Those lands are arid and only fit for grazing, and poor grazing at that. There are 10,000 patented claims on better land that are abandoned at the present time throughout all that country and gone to tax title, and many thousands more are abandoned before final proof. Everywhere throughout that country you will see abandoned cabins, wrecks of disappointed hopes, broken hearts and blasted ambitions, the remnant of a shack or a piece of ground that has been cleared and broken up and planted once and is grown up in Canadian thistles. Some day some of that land, if it can be irrigated, may support a home. But not at this time.

When anybody says we will deprive the poor soldier of the privilege of getting a home, I say that under present conditions, in my plain western language, that is all the "bunk." Settling on that dry, barren land now is a tragedy. As a matter of fact, there isn't anything there that any soldier or anybody else could make a living on; and if he could, why, God bless him, the Secretary of the Interior can and will let him get it under this law.

Senator ASHURST. Mr. TAYLOR, you remember that Daniel Webster once said almost the same thing regarding Oregon; that he wouldn't give a dollar for all of it.

Representative TAYLOR. I know that, but I am talking of the present time and of present conditions in regard to the public domain. It is an outrage to induce families to go on to that kind of land now. This bill provides quite thoroughly and exhaustively for the Interior Department to allow settlements and homesteads of the public domain. There is no intention whatsoever of preventing settlement on any land that is fit for a home if anybody wants to. If there is any land that a man can settle upon and make a living upon, he has a right under this bill to take it. But when half of them are being abandoned, and a very large part of all others are unoccupied, it is very good evidence of the condition there. It is not a valuable privilege to take that kind of land these days. You may drive all through that country and you will find land that has been filed upon and yet there is nobody living on it. They do not even pretend to live on it. They cannot make a living there. So we would not be doing an unkindness to anybody even if we should put some restrictions upon homesteads of that kind at the present time and under present conditions. But I insist that this bill will not prevent legitimate homesteading. The Secretary of the Interior has repeatedly stated he has no such intention.

It was only about 2 years ago that we got the Secretary of Agriculture and the Secretary of the Interior to come together on this measure. It was in the Hoover administration. President Hoover and Secretary Hyde and Secretary Wilbur enthusiastically got behind this bill, and they supported it as vigorously as Secretary Ickes and Secretary Wallace are supporting it now. And the Forest Service and the General Land Office have actively joined with them. All executive departments of our Government interested have united in an effort to conserve this land, to stop ruinous erosion, to prevent the wanton destruction of the verdure on it. Wherever a large band of sheep is grazed on semibarren land, unless they are kept moving they often even pull up the roots.

There is nothing left but sand dunes. I have ridden through miles and miles of country where a few years ago sheep were being pastured, and today there isn't anything there. I am not going to attempt to go into detail about overgrazing or the havoc of erosion. I have not made a definite survey of all the States, but I know from what I hear as to the sentiment in regard to this bill. I have thousands of letters about this bill coming from every State in the West, and there is, of course, a divided sentiment. The people who would be most benefited by this bill are the local taxpayers, the little farmers and small stockmen; the actual residents and taxpayers who help to maintain the country. As to these people I would say that from 90 to 95 percent of them are in favor of this policy of control, but as to the very large sheepmen who send out a Basque or Greek or some other nonresident with a band of sheep as a shepherd, those men go out with a large bunch of sheep and they roam all over the country, they are not especially concerned about the principle of conservation. They are instructed by the owner of the sheep to take care of their flock for that particular season, and therefore are not interested in preserving the range.

I am not blaming those people. The range is free. I am not complaining about sheepmen. Many of them are good friends of mine. I am speaking about conditions on the open range. I am the Chairman of the Interior Department Appropriation Committee, that handles practically all the money that goes to the West, and all the activities of that Department, from the Arctic Circle to the Equator, and it is a part of my official duties to visit the public domain, the national parks, the reclamation projects, the national monuments, all Indian reservations, agencies, and schools, and many other things. And I was born and reared in the West, so I naturally know that country pretty well. I know some measure of this kind is imperatively necessary. I feel, gentlemen of the committee, you have absolutely got to come to it sooner or later. I feel that public sentiment is going to force Congress to pass this legislation. Every year you put it off you are permitting the destruction of millions of acres of land. You are doing the stockmen a great injury. There is no such thing as stabilizing the stock business under present conditions, when no one knows whether he will have any range next year or not, where one cannot know whether some man will have force or influence enough to take it from him and hold it. The owner of a bunch of cattle or sheep has no security, and cannot permanently

prosper unless he has a definite grazing range late in the fall and winter and spring when he cannot be in the forest reserves.

Now, as to the forest reserve, they have a definite range there reserved for them.

It is a very valuable asset; the banks will loan the owner money on the stock, because the banks will know that the owner of the bunch of cattle or sheep will have a place to go and something upon which he can absolutely depend. A great many banks have gone broke on loaning too much money on both cattle and sheep. A very large number—quite a percentage of the stock on the public domain—do not belong in the State where they graze part of the year. That is, they may stay in their own State a part of the year, but they roam about and go over State lines and graze in other States a part of the year.

Gentlemen of the committee, this matter resolves itself down to the question whether or not you are willing to join with President Roosevelt, as he has earnestly asked you to do, and with his Cabinet officials in trying to help them do a great public service to the West and to our country. Everyone admits that Theodore Roosevelt rendered a gigantic service to our Republic when he prevented from ruination and preserved for all time that 140,000,000-acre empire in the forest reserves. Are you going to prevent Franklin D. Roosevelt from going down in history as having rendered almost an equally great service to our country in preserving for posterity our remaining 173,000,000-acre empire?

Gentlemen, that is my judgment. That is the way I look at this matter after all these years of observation. My father owned a stock farm in Illinois and a cattle ranch on the plains of northwestern Kansas and he was a cattleman all his life. I was born and raised on the frontier, and I sat in the saddle a large part of the time for several years during my boyhood days, and I have lived among these conditions all my life. I was one of the most vociferous opponents to the creation of the forest reserves. Why, we thought that was the limit of tyranny, to make us pay for the use of the grass, telling us where we could put our stock and where we could not.

And we fought it clean up to and through the United States Supreme Court, and we lost our case there. We were forced to accept that decision. But times, conditions, and people change. We of the West have slowly and reluctantly come to see the importance and the wisdom of Theodore Roosevelt's and Governor Pinchot's policy and the foresight of the conservation sentiment of the country.

Now we are heroically and, we think, patriotically trying to repeat that policy as to the remaining fastly deteriorating and vanishing public domain of our country. We feel it is a worthwhile public service we earnestly are trying to render to these Western States.

We are getting exactly the same kind of opposition that we so forcibly put forth at that time, and we respect our opponents; but I believe that 5 years from now, and probably in less time, if you enact this bill into law, the whole country will say, "God bless you." I believe it will go down in history as one of the greatest achievements of the Franklin D. Roosevelt administration if you preserve these 173,000,000 acres of public domain from destruction and from becoming practically a desert. It is a great heritage. It is a great asset. And it does seem to me that we ought to be willing to join in preserving it.

When I meet a man who is not willing to abide by a lawful and orderly use of public property, I cannot agree with him. The law of force, the rule of the jungle, these days does not sound good to me. If a man is not willing to respect the rights of his neighbors, if he is not willing to help prevent overgrazing and irreparable erosion, and let everybody know where they can put their stock, and how many they can graze, and be able to rely upon it, I cannot appreciate his view. I think that the time has come to compel the fair, honest, systematic, and orderly use of our public domain, and the prevention of the destruction of it, as is now being done by every other great nation.

This proposed legislation means nothing more to me personally than to every one of you gentlemen sitting around this table. With the exception of your distinguished chairman, Senator WAGNER, of New York, you are all western men. I feel that if the Senate, if this committee, is not yet ready to go on with this program and try to preserve this asset, try to assist the President and his officials in carrying out the policy that the prior administration favored—and I might say that all prior administrations have been in favor of this policy, but they have not been able to come to an agreement as to where it should go. I say, if you are not yet ready to go on with this program, I think you will be making a mistake. I think the only reason this bill was not enacted years ago was because the Agricultural Department insisted upon having charge of it and the Interior Department insisted upon having charge of it, with the result that we could not get anywhere. And a very effective way to kill this bill is to try to introduce an amendment that will get the two Departments at loggerheads with each other. That would be the natural and inevitable consequence of that kind of an amendment. They are now working in entire harmony, and they say they can handle this proposition in harmony together.

The grazing situation is about this: For about 4 or perhaps 5 months of the year there is grazing in the forest reserves, and the rest of the year it is done down in the lower country—

Senator ADAMS (interposing). Congressman TAYLOR, let me ask you this: If we should be faced by the difficulty from a legislative standpoint of such an amendment, in your judgment is it desirable to have the administration of the two areas separate or to have them joined?

Representative TAYLOR. The last section of this bill, section 13, is very broad. It gives the President of the United States complete authority to make such adjustments and bring about such harmonious arrangement between the two Departments as is necessary to carry out the proper conservation policy of the bill.

Senator ADAMS. He has authority now by Executive order to transfer administration from one to the other.

Representative TAYLOR. I understand the Solicitor of the Interior Department made an investigation of that question and decided that there might possibly be some question as to whether or not the President had ample authority to go as far as he felt he ought to go. So they concluded as a matter of policy to pass it up to the Congress. I think the Secretary and the Solicitor concluded that if we western people were not willing to trust them to harmoniously administer this matter as between themselves, which they very positively say they can do and will do, then that the matter should be put up to the Congress. Representatives of the Forest Service are here, as well as representatives of the General Land Office, and can speak for themselves; but they all promise that they can and will economically and harmoniously handle this public domain together. The President of the United States will have full authority under this bill to make whatever adjustments he sees fit in the interest of the country. And I feel that we ought to give him that authority and take the chances. This Congress has conclusively demonstrated to the world that the Members of the Congress of the United States are not rubber stamps; that we can override the President very quickly whenever he does anything we do not approve. And I apprehend if the West felt that this law was not being properly handled as it should be by whatever department handles it that we would change it. But I have no such apprehension on earth as that.

I feel, with the 28 years' experience that the Forest Service has had, and the Interior Department working in conjunction with them and getting the benefit of those 28 years' experience, I do not see how anybody can have any apprehension about the orderly and economical handling of this domain. Nobody wants to penalize those people, but they do have to have some regulation during the 7 or 8 months of the year when they are not on the forest reserve. Whether or not this fee is properly divided, or whether or not these forest-reserve people, when the stock leaves there, will follow them into the lowlands and look after them, I do not know. As to the details of how they shall orderly attend to this matter, it seems to me we should give them the authority and give them a trial. I do feel that we have put in a lot more details and minor regulations into this bill than are at all necessary. But they have been put in out of an abundance of precaution. The mining interests and everybody who has any rights want their rights respected and preserved, and they are all being preserved under the terms of this bill.

Senator ADAMS. Congressman TAYLOR, I do not mean to interrupt the trend of your thought, but let me ask you this: In the bill there are provisions in reference to what are designated as "Indian ceded lands." I will say that I have had some correspondence about that matter, and some expressions of apprehension that settlers in your congressional district would be at a disadvantage by reason of one or two of the provisions, I think, of section 11, giving to the Indians a preferential right upon what is designated as "Indian ceded lands." What have you to say about that?

Representative TAYLOR. That section was not in the original bill. It was put in by the House committee just before the bill was reported out. I do not know just what the purpose of it is. It certainly has no proper or rightful application to the former Ute Indian lands in the State of Colorado; and if it could in any way be construed as applying to those lands, the section should be taken out of the bill by all means because it would create false hopes and be an unwarranted and unlawful trouble maker, and unless it has some definite application to some other Indians or some other lands besides ours your committee should take it out of the bill.

If the committee will pardon the digression for a moment, I may say that the former Ute Indian Reservation in western Colorado originally contained something like 12,000,000 acres. Those Indians occupied that territory for a great many years. After the Meeker and Thornberg massacres in 1879 the Government selected other lands over in the Territory of Utah for that band of the Utes—the Uncompahgre Utes—and removed them from the State of Colorado over into the Territory of Utah. That was the most warlike and the largest band of the Utes. The other main band—the Southern Utes—were left on their reservation in southwestern Colorado, where they have ever since resided and they have an ample reservation.

The Federal Government entered into an agreement with the Ute Indians on June 15, 1880 (21 Stat. 199), which made and agreed to that change of residence and many other matters and provided in substance that whenever any part of that land was thereafter disposed of by the Federal Government, the Ute Indians should be paid \$1.25 an acre for it; and I think about 2,000,000 acres of it have thus gone into private ownership and the Utes have received \$1.25 an acre for all of it.

President Theodore Roosevelt, during his administration, by Executive order put about 130,000,000 acres of the public land into forest reserves, nearly 14,000,000 acres of which was in Colorado. Between three and four million acres of it are in what was formerly the Ute Indian Reservation. Soon after those forest reserves were created in our State, two or three enterprising attorneys conceived the idea that the putting of that former Ute Indian land into forest reserves thereby created, under the terms

of that treaty, a claim against the Government for \$1.25 an acre. I never believed that either the terms or intentions of that treaty at all authorized or justified that claim. That forest reserve lands had not gone into private ownership. The Government had not in any manner parted with title to it or surrendered any control over it. The Government still owned it absolutely and had jurisdiction to survey, classify, grant homesteads, preemption claims, coal claims, oil rights, various mineral rights, rights-of-way, and retained complete dominion over the land. The reason for putting those lands in the forest reserves was to better preserve and improve them and protect the timber on them from destruction and exploitation. It was for the purpose of doing exactly what I am trying to do with the 173,000,000 acres of our remaining public domain in the bill now before the committee—namely, to provide for its systematic and orderly use and preservation from overgrazing, erosion, and utter destruction, and to provide for its improvement and development. It was not to make money out of it. The Government never has made any money out of the forest reserves. They cost many millions of dollars a year to protect them over and above the receipts from their use. This bill of mine will not create any revenue. It is purely a conservation measure, similar to the forest reserves. Nevertheless, a bill was passed in Congress and approved March 4, 1909, authorizing the Ute Indians to present that claim to the Court of Claims. The attorneys did so, and the Government attorney or attorneys apparently promptly coincided with the opinions of the lawyers representing the Utes and agreed to a consent judgment for the amount claimed without any trial at all; and, after an accounting, the Court awarded the Ute Indians a cash balance judgment of \$3,516,231.05, the price of the land at \$1.25 an acre, and also gave the lawyers a fee of \$210,973.86 for their services in obtaining the consent judgment, and ordered the United States Treasury to promptly pay it to them in cash. The Utes received and have since consumed all of that money and a great deal more. Those judgments appear in volume 45, page 440, and volume 46, page 225, of the Court of Claims reports, under dates of May 23, 1910, and February 13, 1911.

The result is that has been the law ever since that time, and whenever any of that former Ute Indian land has been put in a forest reserve, either the Federal Government or the Forest Service has paid \$1.25 an acre for it to the Ute Indians. Now, that is the source and amount and the only claim that the Ute Indians have or could have against or for any or all of that land. They could not possibly have any grazing rights preferences of any kind upon it now. Those Utes residing in Utah are at a distance of a hundred miles or more from the lands, and their rights are definitely fixed by that treaty. The southern Utes residing in Colorado have a very large amount of grazing lands, more than they have any use for, and they lease them to white stockmen. I should say that that treaty and that decision are both very lengthy and very interesting and instructive. They go back to the treaty with Mexico of Guadalupe Hidalgo of February 2, 1848, and to the first treaty the Government ever had with the Ute Indians on December 20, 1849, which was before the Territory of Utah was created on September 9, 1850, and long before the Territory of Colorado was organized on February 28, 1861. So that the rights and obligations between the Federal Government and the Ute Indians are very definitely determined and fixed, and no provisions should be put in this or any bill that would or could unsettle them.

I may remark, incidentally, that the date of that enabling act, March 4, 1909—the day President Taft was inaugurated—was the day Senator Henry M. Teller, of Colorado, retired from the United States Senate and the day I entered the House of Representatives. The opening up of that vast empire of western Colorado to white settlement was one of the greatest services to our State that Senator Teller ever rendered during his nearly 30 years' service in the United States Senate.

I believe that whenever times change, and whenever there is a real demand for more of the public domain, for more homesteading, that Congress will open up suitable portions of some of the forest reserves to homesteading. There are probably 20,000,000 acres of land in the forest reserves today that are infinitely better than any of the land outside of it for agricultural purposes. And some time, when we need it, Congress has the power and will open it up. I feel that the higher country, where there is more rainfall, and where there is richer soil, and where there is a better class of land than the land this bill applies to outside of the reserves will be opened up as it may be needed. But it is practically hermetically sealed up at the present time, so far as homesteads are concerned. And yet sooner or later some of it will be opened up for homesteading.

Senator O'MAHONEY. Congressman TAYLOR, was there any discussion in the House committee or on the floor of the House with respect to section 7 of the bill, which vests in the Secretary authority to classify the land, as to whether or not it shall be entered for homesteads, and therefore that clothes him with the power, by such classification, to control homesteading or to prevent it?

Representative TAYLOR. Yes; that was fully considered. Congress gave the same power to the Secretary of Agriculture. He has that authority now.

Senator O'MAHONEY. What I am driving at, Congressman TAYLOR, is that this bill gives or rather goes to the fundamental question of principle. It changes the whole attitude of the Federal Government toward the public domain so far as homesteading is concerned, does it not?

Representative TAYLOR. Yes; but it treats it as more valuable at the present time for grazing than for anything else. We think

that is true, but we give the Secretary full authority whenever he deems any of this land is more valuable for homesteading than for grazing purposes to take it out.

That language has been very carefully gone over and we thought it sufficient. We do not want to interfere in any way with the proper development of our country. I would be about the last person on earth who would want to interfere with the development of the West. There is a great deal of good land in the forest reserve; I travel over my district nearly every year in an automobile, zigzagging all over the western half of our State. I can ordinarily tell within a mile or so whether I am in the forest reserve or outside. When I get outside it is as barren as it can be. In some places so barren that a horned toad or a sand lizard could not live on it. On the other hand, when I get into the forest reserve the verdure is preserved, and it is kept so, and they have order and system, and they have preserved a marvelous asset for our country, in addition to the timber. I feel that we can in a somewhat different way, because it is a different character of land, exercise the same beneficial supervision over this land and gradually restore it. But it will take some time, of course. When the grass is all eaten off, it takes time to bring back the verdure. But there is a good deal of it left yet. But this bill ought to have been passed 20 years ago. At the same time we can do a great service and save a lot of it if we will pass the bill now. I believe it will be a godsend to the large herds and the large sheepmen as well as to the little fellow. Many of you do not remember, perhaps, that Senator Stanfield, of Oregon, was for a few years a very large sheepman; some 10,000 to 15,000 sheep of his roamed over my district for several years; those sheep came from Oregon. Many sheep come into my district from New Mexico, and I think Arizona, and I know they come in from Wyoming and Utah.

Senator HATCH. Don't you think that any Colorado sheep come down into New Mexico?

Representative TAYLOR. I expect they do in the wintertime. I think it is a mutual custom. I know it is a mutual thing between ourselves and Utah. I know that we have a thorough agreement as to about 350,000 head of sheep that range a part of the time in Utah and a part of the time in Colorado. I feel it will be a great asset to the sheep industry if the owners of sheep can know where they can put them. And, as I have already said, banks will be more liberal to loan money if they know where range is to be had for stock upon which they loan money.

I hope you gentlemen will understand that I am not complaining of adjoining States. I feel that it will be mutually beneficial to conserve this range and to have it orderly grazed. That is my thought about it. And I think it belongs to our people in the West primarily and that we should take care of it. If we do not do it certainly we cannot expect the eastern people to come forward and make us do it.

Senator O'MAHONEY. Congressman TAYLOR, what is your opinion of the probable effect of this bill upon the small stockman as compared with the owner of large herds?

Representative TAYLOR. Oh, I think proportionately it will be tremendously beneficial to the little fellow. Now, on all the creeks, as you know, the creek bottoms are taken up all over the country. But the big herds do not have any respect for those people there. As long as it is public domain they graze right up to them, and it takes a mighty tight fence to keep them out. They do not leave any range for the farmer or small stockman who has a few head of cattle and some work horses and milch cows. He has no other grass. Sometimes all the grass he can get is by way of getting a 640-acre homestead and fencing it.

Senator O'MAHONEY. How will this bill be beneficial to the little fellow?

Representative TAYLOR. His preference right is expressly stated in the bill. That preference means a lot to him. The big fellow cannot eat him out of house and home.

Senator ADAMS. What section is that?

Representative TAYLOR. The little fellow has a preferential right to the adjoining range. The grass there is his own. It is in section 3, page 4.

I most heartily join in all the encomiums expressed concerning the homesteader. No one can have more sincere admiration and genuine affection for them than I do. My father was a homesteader, when he had only one neighbor within 20 miles. He first went to the Territory of Colorado in 1871, 5 years before it was a State. In fact, I proved up upon a desert-land claim myself, and I still own it. The praises and eulogies upon the American homesteader will continue as long as our Republic survives. The West was built and its present proud development rests most largely upon the courage, privations, and frightfully hard work of the pioneer homesteaders. That generation of pioneers of the West wrote, we think, the noblest chapter in the history of the world.

But my dear sirs, if those hardly pioneers had had to go onto the kind of land that is contemplated within this bill, the West would still be a barren wilderness. Even the Indians could not have lived upon it, and there never could or would have been any appreciable development of that country. It is no sacred privilege to give a man an opportunity to go on a piece of land that cannot be irrigated and never can have enough rainfall to raise a crop upon it and starve to death. One of the most heart-breaking sights in the world is to witness a man taking his family onto a piece of barren land that by no possibility could afford him a living, and to see the thousands of abandoned homesteads all over the arid Western States. Trying to induce people to settle that kind of land is tragic cruelty; and I do not want this bill to contain language that will force the Secretary of the Interior to

permit homesteads upon land that everybody knows is utterly unfit for homesteading, and that could not be taken for that purpose in good faith. I know that this committee does not want to encourage or tolerate fraudulent or sham homestead entries that might be made for the purpose of holding up the man who has a permit to graze upon them, and we should not put in language that would permit it. I think every western man knows that today there are thousands of 640-acre so-called "stockraising homestead" entries that have nobody living on them, and apparently nobody intends to ever live on them. If they did, they could not make a living upon them for themselves and their families, if they have any. So I feel that this bill should be written in view of the conditions that now actually exist, without any imaginary glorification of the dry-land homesteader.

I would like to have the committee also consider my statement before the Public Lands Committee of the House, pages 68 to 81 of their printed hearings and in the RECORD of March 24.

The bill tries to and I am sure it does protect all vested water rights, and in fact vested rights of all kinds.

Senator O'MAHONEY. But the thought was that there was no intention to embody a future classification of such rights.

Representative TAYLOR. No; but if there is any unappropriated water anybody can take it and appropriate it for any useful purpose. But if it is appropriated this bill does not authorize any interference with it.

Senator O'MAHONEY. You would have no objection to a modification of the language in order to obtain that right, would you?

Representative TAYLOR. No; none whatever. The General Land Office and the Forest Service officials are here and will give you their views if you care to examine them. They know the details of the working out of all these public-land matters.

The doctrine of priority of appropriation of water is thoroughly settled in those arid land States. The land is not worth scarcely anything unless it has a water right. The great mass of the land affected by this bill is dry and not susceptible of irrigation at all. It would cost more than the land is worth to get water on it, even if there was any possibility of getting it.

There was no intention to prevent anybody from developing our country. There was no intention to destroy anybody's rights. If the language in the bill does not protect them we will be glad to have it done.

Senator ERICKSON. The last administration and the Garfield Commission recommended turning over all these lands to the several States. What objection could there be to that?

Representative TAYLOR. That Hoover-Garfield Commission held a great many meetings. The Deficiency Subcommittee of the House Appropriations Committee I am on appropriated the money for it. They never really all agreed on anything. But they finally did make a recommendation that the surface right to the remaining public lands be conveyed to the States. Whereupon all, I think, of those 11 States immediately flew up and said that they would not accept that kind of mere surface title.

Answering your question further, Senator ERICKSON, I will frankly say to you that in my judgment, you could no more pass a bill through Congress conveying all the public domain from the blue sky to the center of the earth to the several States than you could fly to the moon at this time. Bills of that kind have been introduced in Congress for the more than 25 years that I have been in Congress. Your Senators and Representatives from Wyoming and Montana have had bills of that kind pending here practically all of that time.

The people throughout the North, East, and South, both in and out of Congress, are emphatically opposed to that measure. For that reason it is an utter impossibility to pass that kind of a bill. No bill of that kind has ever passed through either the Senate or the House. In fact, I do not think any bill of that kind has ever been even reported out of any committee. The people of this country are not yet willing to give to the Western States all of the hundreds of millions of dollars' worth of oil, coal, metaliferous minerals, gas, and a great many other valuable substances beneath the surface of the lands in our States. I have always been in favor of that bill and some day we may be able to pass that bill, but not now.

Senators, many of us from the West, have been working on this very matter for a great many years, and this bill is the best compromise we can possibly get. This bill passed the House by a roll-call vote of 265 to 92.

The question here is whether you want to do anything or do nothing for the future preservation and orderly use of our vast remaining public range and let it be ruined.

At the present time scarcely any of this land has any value whatever for homestead purpose. Our first thought is to conserve it. It is an effort in that direction. It will take time to do so. We may have as many changes in the future as we have in the past.

Congress will still be here functioning for many years to come. It will always contain honest and intelligent men who will be just as much alive and alert to our welfare as we are. If this proposed policy doesn't work out right it will be changed. Now, unless you gentlemen disapprove of the Forest Service, and its policies, and disapprove of the policy of conserving our western country, I do not see how you can have any basis or reason for not applying practically that same policy to the remainder of Uncle Sam's unirrigable and almost barren public land.

Senator O'MAHONEY. That is just what I am driving at. I am trying to get your answer to the proposition. I am trying to point out the fears that our people have. First, the Federal Government of the forest reserves.



Representative TAYLOR. Yes. And we of the West had 10 times more fears than anybody has now of this measure, because we have that object lesson and example before us.

Senator O'MAHONEY. All right. Then they take the oil lands and the coal lands. Now they are taking the grazing lands. The next step will be the mineral lands. That is the fear that our people entertain.

Representative TAYLOR. Well, I respectfully point out to you gentlemen that they (the Federal Government) cannot take the next step, in the matter of mineral lands or anything else until and unless we (the Congress of the United States) let them do so.

Senator O'MAHONEY. Well, I am simply bringing up the fears of our people.

Representative TAYLOR. Certainly Congress is never going to abdicate its authority or lose its intelligence or patriotism, or its loyalty to the West. I cannot share in your fears. I cannot share in or comprehend the apparent distrust or at least, apprehension of the good faith or at least judgment of the Secretary of the Interior. There are about 10 times as much restrictions on him in this bill as there is on the Secretary of Agriculture in his administration of the forest reserves.

Senator HATCH. Congressman TAYLOR, I have not studied this bill carefully, but I am wondering if there is anything in it that interferes with present rights under the leasing law, or that would change that condition at all.

Representative TAYLOR. Not a thing. Every kind of a present right is respected and protected. My thought, gentlemen of the committee, is that we ought to take the bill up and read it section by section and deliberately consider it in that orderly way, and also examine these various officials from the Interior Department who are here now. However, I am not presuming to suggest the manner in which you consider the bill.

The CHAIRMAN. Well, that is what I thought we would do later on. But I wanted to give you an opportunity to make your statement before the committee.

Senator ADAMS. Congressman Taylor, may I ask one question, and one that you do not need to answer if you do not want to: If this committee should conclude that it would like unified management, would like to have the forest lands and the grazing lands administered under one administration, would you prefer that the bill be amended to put it within the Agricultural Department or within the Interior Department?

Representative TAYLOR. Well, Senator, frankly, I feel that that jurisdictional matter ought to be left to the President and his administration. I do not feel that I ought to make or approve any suggestion contrary to the terms of this bill.

Senator ADAMS. Well, do you think that the Congress ought to abdicate as to that?

Representative TAYLOR. No. I do not think Congress is abdicating any of its rights in this bill. Of course Congress has the right to designate either Department or make any other change in the bill. But when these two Secretaries, who have the welfare of our country at heart, come to an agreement, which Congress has never, before 2 years ago, been able to get them to do, and are now in entire accord on this bill and earnestly appealing to you to pass it, I feel that we should go along with them. I am confident it would kill the bill if those two Departments should now be forced into a controversy over it.

Senator ADAMS. Well, will the next two Secretaries be together on it?

Representative TAYLOR. Well, if they do not, the Congress can and will then handle these matters as it thinks proper and necessary. If one or the other of them does not comply with this act, or for any reason they do not function harmoniously together as the present Secretaries are willing to and assure us they will do, then the Congress can take the matter in hand and make such adjustments as they see fit.

Senator ADAMS. I will say that we all share with you your admiration for them, but there have been Secretaries in the past for whom we did not have the same admiration.

Representative TAYLOR. Yes; I fully realize that, I have had business and rather close acquaintance with both the Secretary of the Interior and of Agriculture for a great many years and with rare exceptions they have been very high-class men.

The substance of this bill was approved by Presidents Harding, Coolidge, and Hoover and it is now the official Roosevelt administration conservation bill. I know you will give due consideration to the letter of President Roosevelt to this committee urging you to pass this measure; also the very frank and convincing statements of Secretaries Ickes and Wallace, which are before you. I also call your attention to some tables before you showing statistics of the public range, and to the table showing the entries under the 640-acre homestead law.

The CHAIRMAN. Have you anything further to say, Congressman TAYLOR?

Mr. TAYLOR. No, sir; except to say, in conclusion that I am profoundly confident that if you accede to the earnest appeal of President Roosevelt in his letter to you and pass this bill, you will be helping to write a very far-reaching and great conservation chapter in the history of our country.

Mr. Chairman, the House today is taking up the stock-market control bill for the regulation of the stock exchanges. It will probably run 4 or 5 days. The Speaker has asked me to preside over the House during the consideration of the bill, so I will have to be excused from the committee hearings all the rest of this week.

THE WHITE HOUSE,  
Washington, April 18, 1934.

HON. ROBERT F. WAGNER,  
Chairman Committee on Public Lands and Surveys,  
United States Senate.

MY DEAR SENATOR WAGNER: Congressman TAYLOR's bill, H.R. 6462, which has recently passed the House and is now before your committee, authorizing the Secretary of the Interior to regulate grazing on the public domain, embodies a principle which has my hearty approval, and I would appreciate the support of the proposed measure by the members of the Senate Committee on Public Lands and Surveys.

Sincerely yours,  
FRANKLIN D. ROOSEVELT.

Table showing statistics of the public range  
[Acres—000 omitted]

State	Vacant, unreserved public land	Principal public-range areas			Total
		1-cent land	1- to 2-cent land	2- to 3-cent land	
Arizona.....	13,204	8,480	3,914	652	13,046
California.....	16,676	10,200	3,400	.....	13,600
Colorado.....	7,646	600	5,400	.....	6,000
Idaho.....	10,510	3,600	5,400	.....	9,000
Montana.....	6,177	.....	37	3,663	3,700
Nevada.....	51,270	35,890	15,890	.....	51,200
New Mexico.....	13,078	1,884	8,216	2,500	12,600
North Dakota.....	146	.....	.....	.....	.....
Oregon.....	13,012	1,170	9,945	585	11,700
South Dakota.....	517	.....	.....	.....	.....
Utah.....	25,011	16,175	7,465	1,240	24,880
Washington.....	710	.....	.....	.....	.....
Wyoming.....	14,327	3,900	7,800	1,300	13,000
Total.....	172,083	81,899	66,957	9,940	158,796
Average carrying capacity, in animal units, to the square mile.....	.....	-8	8-15	+15	.....
Stock-raising classification.....	.....	Too poor	Too poor	Too poor in part	.....

Table showing number and area of homestead entries allowed and patented, beginning with the fiscal year 1918, the year the first stock-raising homesteads were allowed

NUMBER AND AREA OF HOMESTEAD ENTRIES ALLOWED

Fiscal year	Stock raising		All others		Total	
	Number	Acres	Number	Acres	Number	Acres
1918.....	734	236,578	38,426	7,761,531	39,160	7,998,109
1919.....	15,635	5,558,756	25,976	5,011,184	41,611	10,569,940
1920.....	20,979	8,228,749	30,106	5,787,012	51,085	14,015,761
1921.....	25,653	10,313,733	19,896	3,767,012	45,549	14,080,745
1922.....	17,922	7,070,176	12,348	2,137,906	30,270	9,208,082
1923.....	10,719	4,257,990	8,871	1,414,057	19,590	5,672,047
1924.....	7,006	2,812,664	7,500	1,171,491	14,506	3,984,155
1925.....	5,254	2,298,039	6,045	890,647	11,658	3,188,686
1926.....	5,254	2,250,485	5,536	750,918	10,790	3,001,403
1927.....	5,981	2,663,799	4,907	695,383	10,888	3,359,182
1928.....	5,878	2,751,213	4,896	727,006	10,774	3,478,219
1929.....	7,268	3,567,010	4,750	745,415	12,018	4,312,425
1930.....	8,520	4,125,120	4,728	795,722	13,248	4,920,842
1931.....	8,497	4,201,766	4,602	722,280	13,099	4,924,046
1932.....	7,291	3,543,582	3,719	506,272	11,010	4,049,854
1933.....	4,884	2,358,231	2,885	355,798	7,769	2,714,029
Total.....	157,234	66,237,891	185,191	33,239,634	342,425	99,477,525

NUMBER AND AREA OF HOMESTEADS PATENTED

1919.....	21	4,938	38,798	8,844,069	38,819	8,849,007
1920.....	1,411	376,066	44,042	9,826,905	45,453	10,202,971
1921.....	4,299	1,249,593	31,144	6,923,209	35,443	8,172,802
1922.....	8,399	2,919,820	31,653	6,712,816	40,052	9,632,636
1923.....	7,393	2,590,759	18,312	3,719,171	25,705	6,309,930
1924.....	7,767	2,952,158	12,229	2,407,792	19,996	5,359,950
1925.....	6,416	2,507,122	7,364	1,376,017	13,780	3,883,139
1926.....	6,490	2,513,676	6,505	1,163,786	12,995	3,677,462
1927.....	6,152	2,400,605	5,498	1,019,549	12,100	3,420,154
1928.....	3,460	1,357,278	3,324	540,591	6,784	1,927,869
1929.....	3,271	1,350,385	3,322	539,641	6,593	1,890,026
1930.....	2,530	1,057,262	2,461	376,643	4,991	1,433,905
1931.....	2,462	1,051,593	2,510	371,431	4,972	1,423,024
1932.....	2,460	1,099,643	2,201	338,432	4,661	1,438,075
1933.....	1,917	885,453	1,747	257,758	3,664	1,143,211
Total.....	64,448	24,326,351	211,560	44,417,810	276,008	68,744,161

NOTE.—Attention is directed to the fact that the data as to patented entries do not involve entries allowed during the corresponding fiscal year. Inasmuch as residence is ordinarily required for 3 years and the life of the entry is usually limited to 5 years, it accordingly follows that the entries patented during any particular year were allowed during the preceding 3 to 5 years.

The figures relating to homesteads canceled and relinquished cannot be given with any degree of accuracy. Our records of entries canceled because of failure to submit final proof within the period allowed by statute, of entries canceled for cause, and of entries canceled upon relinquishments, include all classes of entries, and the relinquishment record also includes partial relinquishments as well as relinquishments of entire entries. Furthermore such records relate to number of entries only (no data as to areas involved), being compiled merely for monthly work-report purposes.

The following table gives the land grants made by Congress to each of the States shown:

State	Total land grants by Federal Government to States	Land area of each State in acres	Percent of land grants to area of each State
Alabama.....	2,258,264	32,818,550	6.88
Arizona.....	10,539,283	72,838,400	14.46
Arkansas.....	9,372,993	33,616,000	27.88
California.....	8,425,861	99,617,250	8.45
Colorado.....	4,433,538	66,341,120	6.68
Florida.....	21,969,954	35,111,010	62.57
Idaho.....	3,632,157	53,346,550	6.81
Illinois.....	3,639,225	35,867,520	10.12
Indiana.....	4,304,253	23,058,800	18.67
Iowa.....	3,019,685	35,575,010	8.49
Kansas.....	3,605,783	52,335,360	6.89
Louisiana.....	11,024,623	29,061,760	37.94
Michigan.....	8,787,573	26,787,200	23.83
Minnesota.....	8,372,270	51,749,120	16.18
Mississippi.....	4,951,261	29,671,680	16.68
Missouri.....	5,574,483	43,980,280	12.67
Montana.....	5,869,618	93,598,640	6.27
Nebraska.....	3,458,711	49,157,120	7.03
Nevada.....	2,723,647	70,285,440	3.87
New Mexico.....	12,656,023	78,401,920	16.14
North Dakota.....	3,163,551	44,917,120	7.04
Ohio.....	2,493,005	26,073,600	9.56
Oklahoma.....	3,095,760	44,424,960	6.97
Oregon.....	4,353,534	61,188,480	7.11
South Dakota.....	3,434,203	49,195,520	6.98
Utah.....	7,464,276	52,597,760	14.19
Washington.....	3,044,471	42,775,040	7.12
Wisconsin.....	6,220,509	35,363,840	17.59
Wyoming.....	4,138,569	62,460,160	6.62

NOTE.—The bill H. R. 6462 passed the House Apr. 11, and passed the Senate June 12 and sent to the President June 15, 1934.

#### THE FOREIGN DEBTS DUE THIS COUNTRY—FUTURE SOCIAL REFORMS

Mr. COLMER. Mr. Speaker, within the past few days President Roosevelt has delivered to the Congress two messages which, in my opinion, will go down in history as masterpieces among the messages of the Presidents of all time. Covering, as they do, two entirely different and distant subjects concerning the national welfare, they reflect, on the one hand, the courage and honesty of the man, and on the other, the humanitarian principles and foresight of a truly great President.

#### THE FOREIGN DEBTS DUE THIS COUNTRY

The first of these messages deals with the indebtedness to this country of the foreign nations of the world. It was a strong statement by a strong man. It, as usual, was clear, unequivocal, and forceful. Undoubtedly it reflected the sentiment of the American people. It will be heralded throughout the country with enthusiasm and unstinted approval. Again the President reminds the debtor nations that this money was loaned to them at a time when they were struggling for national existence and subsequently for the purpose of assisting them in the restoration of their normal affairs. Moreover, his pointing out to these debtor nations that they were spending money in competitive armaments which ought to be paid to the taxpayers of this country was most timely. This should have a most salutary effect. Nations should not undertake another war until they have paid for the last one. There is a strong sentiment in Congress to require these debts to be paid, and the President's message was received in the Congress, on the whole, with enthusiastic approval.

One wonders why, after all, there is any question in the mind of anyone that these debts should not be paid. This money was loaned to these foreign nations in good faith and they borrowed it on the same basis. When the people of these United States through the American Government first went to the financial aid of the foreign nations, the Germans were hammering at the gates of Paris. This financial assistance was followed with a sacrifice of American blood on a substantial scale. There is no question in the minds of the unbiased but that the cause of the Allies would have been lost without this timely assistance from the American people.

Subsequently, and after the Armistice, America continued to make colossal loans to these allies, as pointed out by the President, for the purpose of assisting them in the restoration of their normal affairs. It must appear to any fair-minded person that the shameful failure of our former

European allies to recognize and repay these obligations, incurred in their dire extremity, keenly evidences, in a high degree, a lack of appreciation.

The taxpayers of America are due the stupendous sum of \$11,747,186,781.17, which includes some \$386,000,000 due from the German Government. This colossal sum is the aggregate amount due from 19 foreign nations. But of the total of nearly \$12,000,000,000, nearly four billion is due from France and nearly four and a half billion from Great Britain and two billion from Italy. In other words, out of a total of nearly \$12,000,000,000 of debts due this country from some 19 foreign nations, ten and a half billion of this money is due from the three principal benefactors of our financial and man-power assistance rendered them during and immediately following the great World War.

Mr. Speaker, I am delighted with the firm stand that our President has taken on this matter. And whatever course others may pursue, I reiterate my position that as long as I am a Member of the American Congress, I shall not vote to cancel as much as one dollar of these foreign debts due to the American people.

#### FUTURE SOCIAL REFORMS

Turning from the sordid matter of debts and foreign relations, the other message of Mr. Roosevelt, referred to above, is a masterpiece in its broad humanitarian principles and social reform. It deals with the many perplexing questions which affect the social and economic life of our people. It must be perfectly manifest to those of our citizens who reflect upon the problems of our country and the world that we are living in a new era, under changed and strained conditions. This always follows in the wake of such a stupendous catastrophe as that which befell the civilized world between 1914 and 1918. The economic wealth of the world cannot be destroyed as it was in that period without the inevitable social and economic problems to be confronted after such a major war. Then, too, and no doubt accentuated by the war itself, our economic problems of unemployment have been aggravated by the perfection of newly discovered methods of production by machinery. The result has been unemployment on a large scale, social unrest, and a continual tendency of a rural people to migrate steadily to the urban centers.

With a clear vision and an active mind, President Roosevelt has timely recognized the far-spread evil now present as a result of these causes. With characteristic action and courage, he has in this latter message pointed out his determination to right the social wrongs and exhibited his plan to the Congress with the request that at the next session of the Congress the needed legislation be enacted to put these plans into effect.

Happily there is included in his plan the much desired and needed legislation for the care of the unemployed and the aged, which means old-age pension and unemployment insurance. These messages must be hailed by the American people with comfort and approval.

#### PRESIDENT ROOSEVELT

Mr. Speaker, the American people are to be congratulated that in this great national crisis they have as the captain of their ship of destiny, selected by the most substantial landslide of votes ever given a Presidential candidate, Franklin Delano Roosevelt. There must be an unseen but divine hand that guides him. He has, with the assistance of a sympathetic Congress, wrought the semblance of a miracle in the 15 months he has been the President of the United States. He has fed the hungry and clothed the naked. He has largely employed the unemployed. He has saved for the oppressed home owner the roof over his head and that of his family. He has prevented the foreclosure of the farmer's farm. He has given the tiller of the soil an adequate price for his agricultural products, the laborer a living wage, and the merchant a market for his wares. But, above all, he has restored the confidence of the American people in their Government and in themselves. He has changed darkness and despair into sunshine and hope.

I am happy that I have had an opportunity in this grave national crisis to contribute my humble part as a Member

of Congress in all this and to uphold his hands and follow his leadership in the battle that is being waged against the economic depression.

President Roosevelt has converted lethargy into action. Intensely human himself, he has sounded the challenge of humanity to humans. He has clearly pointed out the rights of man to men. With courage and simplicity, he is blazing the path of a new order in the lives of men which all nations will achieve in God's appointed time.

All hail this courageous captain and leader of our national destiny!

All honor to the man of the hour, Franklin Delano Roosevelt!

#### THE NEW DEAL AND AURORA DAM

Mr. GREGORY. Mr. Speaker, 15 years ago the American people were victoriously emerging from the greatest war the world has ever known. Under the superb and matchless leadership of Woodrow Wilson, the Nation had been placed upon a lofty pinnacle toward which the people of the earth turned their war worn, tear dimmed, weary eyes to behold the radiant forms of truth and justice, freedom and righteousness.

The American people were in a delirium of delight because peace had come and prosperity was abounding throughout the land. But in a little while a strange and mysterious change came over the hearts of our people. Materialism began to assert its sway and the spiritual values of former days were forgotten. The great champion of democracy who had been hailed as the savior of mankind from the perils of autocracy was hounded to his grave, and the political party to which he gave his allegiance was driven from power. With the advent of the Harding administration, there began an orgy of corruption in high places such as no civilized people had ever known. Those in authority permitted the establishment of an oligarchy of greed which defied the spirit of the Constitution and trampled upon the rights of the whole people. The high priests of privilege and plunder stalked with arrogant tread into the very Halls of Congress and compelled the enactment of laws which enabled the favored few to rob the millions. The cruel, heartless power of wealth established a sordid despotism in this country which exacted tribute from every avenue of human endeavor. Refusing to heed the warnings of history, these buccaneers of high finance continued to reap where they had not sown. The rich became richer and the poor became poorer.

The burdens of the people became unbearable, and the public conscience was once more awakened. The people of any country have always been the arbiters of their own destiny. They may have endured hardships while despots ruled, because they did not choose to exercise their inherent power. Since the beginning of time no just government has existed which has not been bulwarked, buttressed, and supported by the plain people. Therefore, when our people saw their property taken from them without just recompense, they arose against those who had embezzled the power by which they had enriched themselves. The battle for restoration of popular government in America was on, and the plain people gladly acclaimed the leadership of a crusader whom the privileged class could not terrify, an evangel who dared at all times to speak the truth—Franklin D. Roosevelt. Under the inspiring leadership of this man the people won a victory which the future historians will record as the beginning of an era of prosperity and happiness such as the American people have not heretofore enjoyed.

#### PERILOUS CONDITION OF THE NATION

No head of any government ever faced greater tasks than those which confronted Franklin D. Roosevelt on March 4, 1933, when he took the oath of office as President of the United States and the Democratic Party came into control of the legislative branch of our Government.

Thousands of farmers were being driven from their homes under mortgage foreclosure proceedings, and those who were able to retain their homes found no market for the products of their toil, because the hungry millions were unable to buy; banks were crashing and sweeping away the savings which

millions of our people had prudently laid away to provide for their support in their declining years; great factories were closed and the myriad wheels of industry were idle; merchants with commendable pride and a high sense of honor were trying to avoid the bankruptcy courts; our great systems of transportation were threatened with dissolution because of the lack of freight to carry; millions of sturdy Americans, homeless and unemployed and without food to sustain their wasting bodies, were tramping up and down the streets of every city in the land; the credit of the Republic was in great danger. Robbed of everything but their faith in Franklin D. Roosevelt the toiling masses of America displayed a courage as sublime as that of any soldier at the red front of battle. But for this faith and this courage, liberty would have perished and organized society would have yielded to the sway of the mob where the strong only could survive.

#### PROGRESSIVE ACHIEVEMENTS

Immediately after taking the oath of office the new President set himself to the task of restoring order out of chaos. He called the Congress into extraordinary session and demanded action. In the 15 months which have passed since that memorable day when the Seventy-third Congress convened more legislation for the benefit of the great masses of the people has been enacted into law than has been accomplished in a similar period of time in any legislative body in any age or clime. It is true that many of the laws enacted since Mr. Roosevelt became President are of a temporary nature to meet present emergencies. As conditions of the country become better and as we approach normal times these emergency laws will be repealed or cease to be effective by reason of the limitations of their operation provided at the time of their passage. Many of the other laws are of a permanent nature and will be a protection to the people long after the present emergency shall have passed away.

It is well known to all that at the time of Mr. Roosevelt's inauguration thousands of banks had failed and runs were being made upon those which still remained in business which would have led to the collapse of the entire banking system. The President directed that all banks be closed in order that an investigation of their solvency might be made and the faith of the people in their banking institutions might be restored.

The Congress promptly passed certain banking legislation recommended by the President, and as a result of these laws thousands of banks were reopened. The powers of the Reconstruction Finance Corporation were greatly enlarged and through the medium of this great organization the frozen assets of banks throughout the United States were made liquid. Later on laws were enacted to insure depositors in banks and since these laws became effective not a single bank failure has occurred. Within the last few days additional legislation has been passed which will further strengthen banks that are now open, and will enable closed banks to pay millions of depositors for the losses they have sustained. Through loans to mortgage companies and building-and-loan companies made by the Reconstruction Finance Corporation, thousands of homes have been saved to their owners. Today our transportation facilities are in a much stronger position, and the increased business which they are receiving as a result of the general betterment of conditions throughout the United States has so increased the income of railroads that they should be able to be placed upon a sound financial basis. The Reconstruction Finance Corporation has also been of great value in saving many of our large insurance companies. The preservation of these institutions is of vast benefit to the people of this country, because millions of people had placed their savings in these institutions in order to provide themselves with a means of maintenance in old age and to protect their families in the event of death.

Objection has been raised to loans made to the insurance companies, but it must be remembered that these companies hold a large part of their investments in loans upon farms and other real estate throughout the United States. The failure of these companies would not only have meant great

loss to those who carry policies of insurance for the protection of their families but also to a very large group of people who would have lost their homes and property if the insurance companies had been compelled to foreclose mortgages which they held. The Reconstruction Finance Corporation has also extended great relief to the farmers in crop loans, and loans to cooperative associations which have marketed the crops of farmers. Through the establishment of the Farm Credit Administration hundreds of thousands of American farmers have been enabled to borrow money which enabled them to save their homes and to continue in their chosen avocation. The Agricultural Adjustment Administration has been of great benefit to the farmers, and through its operations wheat, cotton, tobacco, and corn are now selling for more than twice the price received before the Roosevelt administration took charge of the affairs of the Nation. The cash income of the farmers during the last 15 months has increased more than a billion and one-half dollars. The goal of the present administration has not yet been reached and we are not wholly satisfied with the results thus far obtained, but what critic of the administration would ask us to go back to the closing days of the Hoover administration?

The farm situation has not only greatly improved, but vast strides have been made in industry. Large increases in business have been shown in practically every line of industrial activity, and labor has had its share in this increase. The enactment of the National Industrial Recovery Act has restored jobs to millions of American workmen and has added largely to the pay envelopes of these worthy groups. No one would want to go back to the chaotic days of 1932.

Our income-tax laws have been strengthened in order to prevent the rich from so manipulating their tax returns as to escape their just proportion of the burdens of the Government. The Securities Act is protecting the public in the selling of stocks and bonds of little or doubtful value. This means that millions of dollars yearly will be saved to the people of America. Speculation which was so prevalent during the Hoover administration, and which resulted in the great collapse of 1929, cannot be repeated, because in the future the stock exchanges will be under Government supervision and regulation. Many of the ills which our country has suffered are due to the high-tariff laws adopted while the Republicans were in power. At this session of the Congress we have given the President the power to adjust tariff regulations and to break down the barriers which have destroyed our foreign commerce.

While the Home Loan Bank Board was established in the latter days of the Hoover administration, its powers were limited and it did not really become effective until amendments to the law were enacted by the Democratic Congress. As a result of the broadening of the powers of the Home Loan Bank Board more than 200,000 home owners have been able to save their homes and more than \$50,000,000 in loans each week are now being made as a further protection for home owners. Relief has not only been granted to desperate owners of homes and farms, but millions of American people who were shelterless and without food have been given great relief.

One of the principal points of the platform upon which the Democratic Party was swept into power was the pledge to reduce normal running expenses of the Government. This pledge has been kept faithfully, and with the passing of the depression it is expected that the Government will have a balanced Budget and will be able to live well within its decreased income.

I am glad to say that it has been my happy privilege to support the President in all of these progressive measures, and that I have approved his efforts to reduce the cost of Government not only by trying to exert such influence as I may possess, but also by casting my vote for a reduction of the expenses of the Government.

The various relief agencies established throughout the country to take care of our unfortunate fellow citizens well demonstrates the humanitarian side of our great President and of those who have faithfully followed the programs laid

out by him. While these relief measures are of a temporary nature, the President has given to Congress far-reaching programs which, if adopted by the Congress, will result in better homes and in greater security for the lives and property of our people.

#### TENNESSEE VALLEY AUTHORITY AND AURORA DAM

One of the first great experiments of this nature was the creation of the Tennessee Valley Authority. During the World War Woodrow Wilson brought about the development of the great power plant at Muscle Shoals. At that time this great property was acquired for military purposes with the distinct understanding that it should serve the needs of the people when peace should return. Since I have been a Member of Congress I have repeatedly voted for bills which directed the operation of Muscle Shoals for the development of cheap electric power and for the manufacture of cheap fertilizer for the farmers of this Nation. Each time a bill of this character has been passed a Republican President has overridden the wishes of the people as expressed through their Representatives in Congress, and for 12 years this great plant laid idle.

Under the Democratic administration a vast development has been undertaken in the Tennessee Valley. Not only has the great plant at Muscle Shoals been put into operation, but great dams are now being built on the Tennessee and other rivers for the development of power for the use and benefit of all the people and not for the purpose of the enrichment of a few utility companies. With the close of this session of Congress there will have been made available for the Tennessee Valley Authority a large sum of money for the construction of additional power dams in the Tennessee Valley. One of these power dams is in my own congressional district and is popularly known as the Aurora Dam. I have devoted much time and effort during the present session of Congress to secure an appropriation for the construction of Aurora Dam, and I am happy the building of this dam is now definitely assured. The building of this dam will mark the beginning of a new era of prosperity in my congressional district and adjoining territory. Thousands of men will be employed in the construction of this dam and in the clearing of land which will be necessary for the overflow which will be caused by the formation of a lake more than 150 miles in length. The expenditure of the large sum of money necessary for the completion of Aurora Dam will mean much to the thousands of unemployed in this immediate section, but its more lasting benefit will be found in the reduction of electric power rates and in the development of great industrial enterprises desiring to take advantage of the cheap power which will be afforded.

Western Kentucky and western Tennessee are rich in their mineral resources. No finer ball and sagger clays can be found anywhere than is found in abundance in the vicinity of the proposed Aurora dam. Already large industrial interests are contemplating the erection of plants in this section to develop its great mineral resources. Desirable as these industries may be from a financial standpoint, I am more deeply interested in the opportunity which the construction of the dam at Aurora will afford to the people in cities and on the farms to obtain electric power at a fair and reasonable price. When this great power project is completed the people of my district will enjoy benefits which would have been denied to them so long as they were compelled to depend upon private utility companies to furnish them with power. In the development of this great project it is the ultimate purpose to make electricity available at every farm home. With this cheap current the burdens of the housewife will be greatly reduced. She may not only have the convenience of electric lights in her home but likewise will have electric appliances to aid her in her household work. The man on the farm will also be able to procure many labor-saving devices as a result of the availability of this cheap electric power. Thus the farmer and his family may enjoy comforts and conveniences which only a few in cities now have.

As a result of an investigation already made throughout the United States, it has been discovered that the utility

companies have been exacting an unjust tribute from the users of electric power. They have induced millions of Americans to invest in their watered stocks. I have received many letters from elderly men and women in my own congressional district who have invested their savings in these utility companies whose stock is now worthless. These old people are in the same condition as thousands of other worthy people who are left penniless in their declining years. The collapse of the Insull power interests is a striking illustration of the manner in which investors in utility stocks have been treated, and likewise shows that the consumers of power have been required to pay unconscionable prices for the services which they have received. With the development of the Aurora Dam the people of my section will be able to obtain power for about one-third of the price now being paid to utility companies. This statement is not a prophecy of mine, but is founded upon actual facts. The Tennessee Valley Authority is selling power from Muscle Shoals, and a number of counties in the northeastern section of Mississippi have contracted for this power. The price which they are paying to the Tennessee Valley Authority for power in Mississippi has been reduced to less than one-half of the price heretofore paid to utility companies.

In my own congressional district the price paid for electric power ranges all the way from 8 to 15 cents per kilowatt-hour. While my people are paying these exorbitant prices to utility companies, people in Mississippi, who have the advantage of power furnished by the Tennessee Valley Authority, will pay a maximum price of 3 cents per kilowatt-hour. My heart rejoices to know that in the near future the people of my own congressional district are to have electric power in their homes and in their places of business at prices which they can well afford to pay.

I shall always feel happy that I have had the privilege of contributing my services to the people of my congressional district in procuring the construction of Aurora Dam, which will not only be a blessing to the people of my day and time but will be handed down to the generations which are yet to come. The people of my congressional district have worked with unflagging zeal for the construction of this great power plant at Aurora, and I am deeply indebted to them for the valuable assistance which they have given to me in properly presenting the claims of the people of Kentucky and Tennessee who will be benefited by the construction of this great project.

#### CONCLUSION

Within a few days the Seventy-third Congress will have adjourned. Throughout the session of this Congress I have loyally followed the leadership of our great President. If there are groups in my district who are dissatisfied with some of the laws which have been enacted at the request of the President, I am sure no group can question his honesty and sincerity in endeavoring to use the powers of Government in an effort to be of real and lasting service to mankind. The American people chose him as their Commander in Chief to fight against entrenched privilege, to route the depression, and to restore to the people the sacred rights which their forefathers left to them as a glorious heritage. Through the kind partiality of the people of the First Congressional District of Kentucky I have been permitted to serve as a lieutenant in the battle which our intrepid leader has been fighting. I could not see my way clear to desert the people's champion and my leader at any stage of the battle.

I am a Kentuckian and many times I have gazed with pride upon the great seal of my State painted in luminous colors in the Hall of the House of Representatives. That shield has upon it the figures of two men with hands clasped and around them is the motto: "United we stand; divided we fall."

Not only as a Kentuckian but as an American, I appeal to my fellow countrymen to stand loyally by Franklin D. Roosevelt, for "united we stand; divided we fall."

#### THE SUGAR-BEET INDUSTRY

Mr. KNIFFIN. Mr. Speaker, there is, perhaps, no industry in the United States, the importance of which is less

understood and less appreciated, by the rank and file of the American people, than our domestic beet-sugar industry.

Coming, as I do, from a district where sugar-beet growing constitutes one of our major agricultural activities it may be assumed, and properly so, that I am vitally concerned regarding the success and development of this essential industry. I submit, however, that the time has come when it behooves the Members of Congress, the people of the United States and especially those who are vitally interested in the agricultural and industrial welfare of this Nation to become informed relative to the economic importance to this country of this great industry, whether or not they represent or reside in sugar-beet producing areas or districts.

I repeat, the time has come when the American people must recognize and realize the agricultural and industrial importance of this vital industry. I have sufficient confidence in the intelligence of the American people to believe that once they come into a full realization of the importance of our domestic sugar industry to agriculture, to labor, to industry, to self-preservation, and to the economic welfare of the United States they will not only demand that the production of beet sugar from sugar beets grown on American farms by American farmers and processed in American factories by American labor and be continued, but they will insist that no obstacle or barrier be created which would tend to retard the development and expansion of our beet-sugar industry.

Sugar is one of our most essential articles of food. Thirteen percent of the energy expended by the American people in their work and play is derived from the sugar they consume. In other words, sugar is essential to the well-being of every man, woman, and child within the confines of the United States. In the light of these facts it would seem that the United States should strive to eliminate the necessity of being dependent upon foreign nations for the major portion of its sugar requirements. Further, it is obvious that America must at all times be assured of an adequate supply of this essential commodity at reasonable prices. In this connection I submit that we can provide no greater assurance that our sugar requirements will, at all times and under all conditions, be supplied, than by maintaining and developing a healthy and vigorous sugar industry in continental United States.

It has been charged in certain quarters that our domestic beet-sugar industry is expensive and inefficient. Presumably this charge is made on the theory that the cost of producing sugar from sugar beets, grown and processed in the United States, is greater than the cost of producing sugar from sugarcane grown by peon labor in foreign countries. I concede that, because of the standards of living in the United States, American farmers and American labor cannot produce sugar as cheaply as it can be produced in countries where peons labor from dawn till dark, under a foreign flag, and under conditions that approach slavery. On the other hand, I do not subscribe to the theory that because sugar can be produced cheaper in a foreign country than we can produce the article in the United States that our domestic sugar industry can be properly declared to be expensive and inefficient.

If our domestic beet-sugar industry is to be so charged, then practically every other agricultural industry in the United States should be likewise declared expensive and inefficient, since there is not a crop grown on the farms of the United States which cannot be grown at a lower cost in one or more foreign countries.

I submit that no American industry which can and does supply the American people with an essential commodity at a price far below the price charged for a like commodity in any other country in the world can be rightfully declared inefficient. In the case of sugar, it is a known fact that the American people are able to obtain their sugar requirements at a cost lower than any other people. (CONGRESSIONAL RECORD, Apr. 4, Hon. PRENTICE BROWN'S speech, p. 6029, shows comparative prices of sugar.)

Our Canadian neighbors are unable to produce but a very small part of their sugar needs and are therefore at the

mercy of the internationalists and foreigners who control the supply. As a result of their plight they are at this moment required to pay approximately 50 percent more for sugar than we are.

Further, need I remind you that our domestic beet-sugar industry has played an important part in keeping the price of sugar within a range which makes it possible for the American people to purchase sugar at a price below that of any other peoples? In other words, a careful study of sugar prices reveals the fact that whenever the cane sugar grown in foreign countries and marketed in the United States does not have to compete with beet sugar grown and processed in the United States, the price of the article to the consumer almost immediately advances. I honestly believe that if we did not have a domestic beet-sugar industry the American people would today be compelled to pay from 10 to 15 cents per pound for sugar. Further, I am firmly convinced that, while the protection afforded our domestic beet and cane sugar industry may appear to the uninformed as a tax upon the American people, levied solely for the benefit of a few hundred thousand sugar beet and sugarcane growers, if we did not have a domestic sugar industry the American people would be forced to pay exorbitant prices for sugar. In other words, every dollar presumably paid out by the consumers to protect our domestic sugar industry actually saves them from being forced to pay several times that sum in the form of higher sugar prices. For example, in 1920 sugar retailed at 30 cents a pound, and it was not until beet sugar came into the market that the price was brought down to normal levels.

In other words, 1 month after the first beet sugar entered the market the price declined to less than 6 cents a pound. In the meantime hundreds of millions of dollars had been extorted from American consumers for no better reason than that the tropical producers of foreign-grown cane sugar had a monopoly of our market.

I have observed that anyone who raises his voice in the defense of our domestic sugar industry is almost immediately reminded that the United States has an obligation to Cuba and the Philippines which must be considered. I fully recognize this obligation, but I submit that if the United States is under obligation to assist Cuba or the Philippines it is a national obligation to be borne equally by all the people and not by one particular area or one particular group.

I do not claim to be an authority on sugar, nor shall I attempt to speak for the sugar-beet growers in the western area of the United States, but I am more or less informed relative to the economic importance of the beet-sugar industry of Ohio, Michigan, Indiana, and Wisconsin, and I submit that unless we give full recognition to the importance of this industry we will have to admit that we have failed to serve the best interests of our people.

The American people are beginning to appreciate that the continuance and development of our domestic beet-sugar industry are essential to the agricultural and industrial welfare of this Nation, and I, for one, am firmly convinced that they will not sanction nor condone any action which will curtail or retard this vital industry. To advance the argument that we must crucify our sugar industry and thus deny our farmers the right and opportunity to engage in the production of a nonsurplus and profitable crop in order to appease the greed of the sugar producers in foreign lands will be to invite unanswerable protests. Personally, I deny that we have the right to retard the development of this industry, and I shall continue to raise my voice in protest against any action that will work a hardship upon the American farmer in order to bring back prosperity to the sugar producers of a foreign country.

Last year 22 of the 25 beet-sugar factories in Ohio, Michigan, Indiana, and Wisconsin were in operation, and a total of 29,118 farmers seeded 241,500 acres of land to this essential crop. I would remind you that sugar beets is one of the few nonsurplus crops grown in the United States, and I would particularly call your attention to the fact that during the last 3 years sugar beets was the only major crop

grown in Ohio, Michigan, Indiana, and Wisconsin which brought the farmers a cash return in excess of production costs. Thus, by reason of our having a beet-sugar industry, 241,500 acres of land, which otherwise would have gone into the production of nonprofitable or surplus crops, were devoted to the production of a profitable and nonsurplus crop.

As a result of the reduction in the amount of beet sugar the American producers are to be permitted to market under the present quota system, thousands of farmers will be denied an opportunity to engage in sugar-beet culture, tens of thousands of acres of land will have to go into the production of surplus and nonprofitable crops, and several of our beet-sugar factories will stand idle. Let us not forget that every idle beet-sugar factory will stand as a monument to the theory that the rights of remote tropical labor in foreign countries supersede the rights of the American farmers. Let me remind you that a day of accounting will come, a day when the American farmers, when the American people, will demand to know why an American industry which does not contribute to the production of surplus crops should be sacrificed for the benefit of foreign cane-sugar producers and a handful of American investors in foreign countries. Let me remind you that a day of accounting will come; a sugar-beet growing under the American flag are contrary to the intent and avowed purpose of the Agricultural Adjustment Act, and we should be exceedingly careful not to permit the sacrifice of American agriculture and American industry because of the selfish interest of a few large bankers in this and other countries.

While it is true that the agricultural phase of the domestic beet-sugar industry is of primary importance, let us ever remember that the subject of American labor is materially involved. I am reliably informed that it requires 8 man-hours of labor to produce 100 pounds of sugar; thus every hundred pounds of refined sugar brought into the United States means that 8 hours of employment are denied to American labor. I am also informed that every 100 pounds of raw sugar brought into the United States means that approximately 7 hours of employment are denied to American labor. In other words, the importation of either raw or refined sugar from foreign countries is, in effect, the importation of foreign labor which must of necessity compete with American labor. On what theory can we justify the importation of foreign labor, in the form of foreign-grown cane sugar, while millions of Americans walk the highways of rural America and the streets of our cities seeking employment? What excuse are we going to give to the women of America who know not where to turn for food for their children because the head of the family has been denied employment as a result of acts which resulted in the closing of our factories? Mr. Speaker, I am in sympathy with any program which will tend to improve the conditions of mankind everywhere, but I will not approve nor will I refuse to lift my voice in protest against any program or proposal designed to further the welfare of foreign agriculture and foreign labor at the expense of the American farmer and the American wage earner.

According to information which comes to me from reliable sources the beet-sugar industry in Ohio, Michigan, Indiana, and Wisconsin resulted in the utilization of 37,530,304 man-hours of American labor last year. Our farmers and factories gave employment to a total of 35,220 wage earners, thus, taking into consideration the sugar-beet-growing farmers, the beet-sugar industry in the four States provided employment for 64,338 persons and, in addition, to thousands of coal miners, limestone quarrymen, coke-oven operators, textile workers, cotton growers, truck operators, railroad men, bag makers, machinery builders, and the producers of miscellaneous supplies and materials. I find, for example, that in 1933-34 the 22 beet-sugar factories consumed 379,929 square yards of cotton filter cloth; 379,811 tons of coal, coke, and limerock; 243,645 barrels of fuel oil; 6,376,543 sugar and pulp bags; and \$1,882,958 worth of miscellaneous supplies. Our railroads and trucking companies will receive over \$3,242,868 for transporting sugar beets,

sugar, pulp, molasses, and supplies. The employees of the sugar-beet growers and beet-sugar companies received in excess of \$5,000,000 in the form of wages, while our farmers will receive approximately \$11,000,000 for their crop. I mention these figures, Mr. Speaker, not to burden the Record, but rather to show that we cannot limit our consideration of the importance of the beet-sugar industry merely to the millions of dollars it brings to our farmers.

True, millions of dollars may be paid to our farmers in the form of benefit payments, but let us not forget that these payments in the final analysis will come out of the pockets of the American people. Neither should we forget that every pound of sugar we import from foreign countries means the denial of employment to American workmen in our beet fields, our beet-sugar factories, our coal mines, our railroads, our trucking companies, our foundries and machine shops, our bag mills, our chemical plants, and the denial of business to hundreds of American industries.

In conclusion, may I remind you that the figures I have presented in this address refer only to the beet-sugar industry in Ohio, Michigan, Indiana, and Wisconsin (the so-called "eastern area") and only represent in part the economic importance of an industry which produced only 4,691,283 of the 17,666,531 bags of sugar consumed annually by the people of Ohio, Michigan, Indiana, and Wisconsin. In other words, the beet-sugar production in these four States is less than 25 percent of the total sugar consumed by the citizens of these States. Therefore, I submit, Mr. Speaker, that it is unsound, unfair, and unjustifiable that the production of beet sugar in this or any other area should be restricted to a point anything less than the potential production capacity of the present beet-sugar factories.

Further, as one who appreciates the value of this essential industry to both agriculture and industry I desire to go on record as favoring the development and expansion of this great industry rather than its curtailment and elimination, as have been suggested. I take this position on the theory that every pound of sugar produced in the United States contributes to the agricultural and industrial welfare of this Nation, provides employment for American wage earners, reduces the acreage to be devoted to the production of surplus and non-profitable crops, and finally, because the maintenance of a healthy and vigorous domestic sugar industry is our best assurance that the American people will, at all times and under all conditions, be able to purchase this essential article of food—sugar—at a reasonable price.

Mr. Speaker, I stand squarely for no limitation whatever upon our domestic producers of sugar. The most we have ever produced in any one year only amounted to about one-third of our domestic requirement. We need the industry very badly, and I maintain that we should permit our people here at home to produce all that they can produce and then permit our insular possessions and Cuba to supply the rest of it.

#### AMENDING RAILWAY LABOR ACT

Mr. LARRABEE. Mr. Speaker, I am greatly impressed by the report of the Committee on Interstate and Foreign Commerce in asking passage by this House of the bill (H.R. 9861), a bill to amend the Railway Labor Act of May 20, 1926.

After giving this bill as much study as time has permitted I am of the opinion that it is imperative that such legislation be enacted into law at once as assurance against possible labor strife in connection with the all-important railway-carrier system of the Nation.

Fortunately enough there has been little trouble of this nature, recently, but we have seen, through observation of labor disputes growing into strikes of serious nature in fields of industry and even in the realm of agriculture, a significant forecast of what might happen if, through some misfortune, labor warfare should tie up, even for a brief period, the Nation's most important carrier system.

History should have taught us by now that railroad labor disputes may tie up indefinitely practically all of the Nation's industrial structure, throwing millions of men and women in all branches of commerce and industry into idle-

ness, hunger, and poverty as the result of the failure of great railroad network and its facilities to move the necessities of other commerce and industry.

I believe I can see in this bill, which merely amends the old law, but which at the same time provides what we now believe to be very vital amendments, the best assurance of continued harmony of relations between employee and employer in the Nation's railway system. Certainly then, such assurance is the best insurance obtainable against any serious tie-up of the transportation system.

The committee has held extensive hearings on this bill and has deliberated this subject at great length. I am glad, I am indeed happy, to accept and support their report and their recommendation that this bill be passed.

We are assured that this bill is pleasing to railway labor, as this branch of labor, through the representatives of the 21 standard railway labor organizations, has registered its approval of the bill during the committee hearings.

This bill, I believe, will prohibit interference with freedom of association among employees and prevent the denial of the right of employees to join a labor organization of their own choosing as a condition precedent to their employment.

It will, I believe, provide complete independence of carriers and of employees in regard to self-organization.

It will, I believe, provide prompt and orderly settlement of all disputes growing out of grievances and out of interpretation or application of agreements concerning rates of pay, rules, or working conditions, so as to avoid any interruption of commerce or of proper operation of any carrier engaged in such activity.

This bill does not introduce new principles into the existing Railway Labor Act, but amends the act in order to correct defects which have become evident after years of experience. It does not change the methods of conference, mediation, and voluntary arbitration to settle major disputes over wages and working conditions, which are provided in the Railway Labor Act of 1926, now in effect.

It does provide that employees shall be free to join any labor union of their choice and likewise be free to refrain from joining any union if that be their desire, and forbids interference by the carriers' officers with the exercise of such rights.

Although this bill provides that labor unions shall be free from employer influence and control, it does not give preference to any particular union or class of unions.

The necessary machinery is set up for the taking of a secret ballot to enable the board of mediation to determine what representatives the employees desire to have negotiate for them with managements of the carriers in matters affecting their wages and working conditions.

More than all this, it forbids the use of carriers' funds to maintain, aid, or control the labor organizations of the employees, and specifically prohibits carrier managements from requiring employees to sign "yellow dog" contracts, requiring them to join company unions.

The Railway Labor Act of 1926, now in effect, provides that representatives of the employees, for the purpose of collective bargaining, shall be selected without interference, influence, or coercion by railway management, but it does not provide the machinery necessary to determine who are to be such representatives. These rights of the employees under the present act are denied by railway managements by their disputing the authority of the freely chosen representatives of the employees to represent them.

A considerable number of railway managements maintain company unions, under the control of the officers of the carriers, and pay the salary of the employees' representatives, a practice that is clearly contrary to the purpose of the present act, but it has been difficult to prevent it because the present Railway Labor Act does not carry specific language in respect to that matter. This bill is expected to correct that defect.

The second major purpose of this bill is to provide sufficient and effective means for the settlement of minor disputes known as "grievances", which develop from the interpretation and/or application of the contracts between the

labor unions and the carriers, fixing wages and working conditions. The present Railway Labor Act provides for the establishment of boards of adjustment by agreement. In many instances, however, the carriers and the employees have been unable to reach agreements to establish such boards. Further, the present act provides that when and if such boards are established by agreement the employees and the carriers shall be equally represented on the board.

Many thousands of these disputes have been considered by boards established under the Railway Labor Act; but the boards have been unable to reach a majority decision, and so the proceedings have been deadlocked. These unadjusted disputes have become so numerous that on several occasions the employees have resorted to the issuance of strike ballots and threatened to interrupt interstate commerce in order to secure an adjustment. This has made it necessary for the President of the United States to intervene and establish an emergency board to investigate the controversies. This condition should be corrected in the interest of industrial peace and of uninterrupted transportation service.

This bill, therefore, also provides for the establishment of a national board of adjustment to which these disputes may be submitted if they shall not have been adjusted in conference between the parties.

#### MACKINAC STRAITS BRIDGE

Mr. DONDERO. Mr. Speaker, the purpose of the bill before the House, H.R. 9653, is to grant to the State of Michigan, or its assigns, authority to construct a bridge or a series of bridges across the Straits of Mackinac.

For nearly 30 years, business and the call of the great north country in my State has taken me to and across that majestic expanse of blue water many times. The Straits of Mackinac, as many of you know, separates the Upper Peninsula of Michigan from the Lower Peninsula and connects Lake Michigan with Lake Huron. At the narrowest point between the two peninsulas it is over 4 miles wide, with water 250 feet deep, which flows through the straits with considerable current.

There are a number of islands in the straits, one of which bears its name. Mackinac Island is known to many of you and is also known throughout the entire country, not only for its natural beauty, but also for its historic interest. The flags of three nations have fluttered from the summit of its limestone cliffs. It is one spot in the Nation where grease and gas have not disturbed the peace and tranquillity of a nature-loving people. Stop lights, speed laws, and traffic officers are unknown and unnecessary on that island. It is still the land of the horse and carriage. Automobile horns have not yet profaned the silence of that delightful abode. Mackinac Island is an emerald gem on the breast of a sapphire sea. Its sister islands and the region round about the straits remain in their pristine glory the same today as when the red man stole through their forest isles. Its natural beauty is without equal on the bosom of the unsalted seas. It is "the land of the sky-blue waters" of which the poet wrote. God touched it with a generous hand and left it one of the choice creations of His handiwork.

This bill would lay the foundation for a scheme to mar and disfigure that priceless heritage of the people. This is but a plan to get the camel's nose under the tent. The purpose is to build a bridge or series of bridges—four of them—from one island to another to connect the two peninsulas, at an estimated cost of \$35,000,000 of the people's money. It is proposed to erect steel and concrete piers and cantilever spans across and over the south channel of the straits at a point 20 miles southeast of the narrowest point between the two peninsulas by erecting a bridge 6 miles long from the mainland of the lower peninsula east of Cheboygan to Bois Blanc Island; constructing a road about 12 miles long across Bois Blanc Island, connecting that island with another bridge to Round Island, and continuing with still another bridge from Round Island to Mackinac Island, and with a further bridge from Mackinac Island to the mainland of the Upper Peninsula, totaling about 11 miles in bridges.

A survey was made by the United States Coast and Geodetic Survey under the Department of Commerce, and a report filed March 6, 1934. Dr. C. M. Cade, State administrator and engaged at Michigan State College, at East Lansing, Mich., represented the Coast and Geodetic Survey. In his report he says:

That the Michigan State Highway Department has in years past studied this idea and seemed to feel that the bridge, if built, should be in a position as shown in red on the accompanying blueprint. However, they did not report favorably on the project, although it was declared to be possible. The present State highway commissioner is reported to be not interested.

If the bridge is built, it will have to be with P.W.A. funds, as there is no other source.

The position shown in red on the map filed with the report is across the narrowest part of the Straits of Mackinac and at least 20 miles from where it is proposed to build the first link in the chain of bridges under the plan submitted.

The only conclusion that any reasonable person can come to is that it is impossible to build a bridge at the narrowest point between the two peninsulas because of the great depth of the water, the rapid current, and the crushing force of the ice.

Monster car ferries built of steel are used to carry trains back and forth across this body of water, and they have become lodged in the ice for several days at a time and in danger of being crushed from the mighty power of the mountains of ice passing through this channel.

#### WHAT IS THE NECESSITY FOR THIS BRIDGE?

On the south shore of the straits is Mackinaw City, with a population of less than a thousand people. The State of Michigan has constructed at that point one of the finest steel and concrete docks in the whole country. On the north shore of the Lower Peninsula, at the city of St. Ignace, the home of our colleague and my good friend, Mr. Brown of Michigan, a similar dock has been constructed. The State owns and operates three fine, specially constructed steamers to accommodate the traveling public between the two points, and at a very moderate charge—\$1 to \$1.50 per car.

The taxpayers of my State have invested nearly a million and a half dollars in that splendid service, and I challenge anyone to show that it is inadequate or unsafe. What is to become of this investment if this proposed plan is adopted?

The State administrator said in his report:

I consider this project as one of the biggest things of its kind in history, even fantastic in its conception.

The only thing that could possibly justify the proposal would be the traffic that would use it. For the year 1933 the records of the State Highway Department of Michigan show that the total revenue received was \$188,472 and the total expense was \$164,000 and this does not include interest on the investment made by the State of Michigan, leaving a balance of \$24,000. The record shows that 95,000 passenger cars, 6,000 trucks, 6,000 trailers, and 192,000 passengers crossed the straits from April 10 to December 15, 1933, which practically covers the entire season. No one claims that an adequate and proper service is not maintained at the present time. A bridge or a series of bridges is entirely unnecessary.

The Department of Agriculture in a communication to the Chairman of the Interstate and Foreign Commerce Committee, dated May 26, 1934, and signed by Rexford G. Tugwell, made this statement:

The Department is advised that an application is now pending with the Federal Emergency Administration of Public Works for the loan of funds with which to finance the proposed project.

So the money is to be furnished by the people of the United States.

A further provision of the Mackinac Straits Bridge Authority, created by an act of the Legislature of the State of Michigan this year, is for the issuance of not to exceed \$35,000,000 in revenue bonds to be amortized within a period not to exceed 20 years from the date of the completion of the bridge.



If we take the figures for 1933, which show approximately 100,000 cars crossing the straits and double it, believing that 1933 might have been a poor year, it would cost \$16.25 per car to cross this bridge, whereas the State charges today from \$1 to \$1.50 each. In other words, the interest on the investment at 4 percent, which would amount to \$1,400,000, with an estimated cost of \$100,000 per year for maintenance, repairs, and operation, and \$1,750,000 per year for amortization of the bonds, the annual requirements would be more than \$3,000,000 when the record for 1933 shows that the State of Michigan had a balance of \$24,000 after paying operation expenses and without figuring interest on the money invested.

If revenue bonds are sold to the public for the purpose of building this bridge, high-pressure agents and salesmen will use the passage of this bill creating authority for the construction of the bridge as a convincing argument of the soundness of the proposition and the Government of the United States would indirectly become a party to this scheme to defraud the people.

It is visionary and unsound in principle and from every angle as a business proposition.

The ride by boat across this magnificent expanse of water is one of the most delightful and one of the most enchanting experiences of the tourist and traveler who visits that part of my State.

Let us defeat this bill and put a stop right here and now to this wild and reckless proposal to spend more millions of the taxpayers' money on a project that is unnecessary, unwise, and unsound. I appeal to you, my colleagues, to vote against this bill and preserve unscarred the natural beauty of that bewitching land, for the people of today and the unborn generations of tomorrow.

#### FARMING AND AGRICULTURE AND OUR SPECIALIZED SYSTEM OF INDUSTRY

##### OUR SPECIALIZED SYSTEM OF INDUSTRY

Mr. GRAY. Mr. Speaker, we are living today under what may be termed a specialized system of industry, and under which every man is dependent upon some other man for some service to be performed, for some part of the comforts and conveniences, some part of the vital necessities required to live. This specialized system of industry is based upon and predicated upon the means and facilities afforded men for the exchange of their services and what they produce for other services and what others produce and without which means and facilities the system could not function for a single day.

##### MONEY AS A MEDIUM OF EXCHANGE

It was by the invention of money as a means or medium of exchange that it was made possible for the people to exchange their services and what they manufactured or produced, and which enabled men to specialize as experts and thereby to produce more and better of all the necessities and comforts of life, with time to devote to the sciences and arts and thereby for progress and advancement to the planes of a higher and more exalted civilization.

##### ALL DEPENDENT UPON FARMING AND AGRICULTURE

It must further be realized and understood that our specialized system of industry is a growth and development of farming and agriculture, is built upon and around farming and agriculture, is first dependent upon farming and agriculture, and without farming and agriculture, the parent of our industrial system, no other trade, business, or calling could survive or exist for a single day.

##### LIKENED UNTO A TREE

Our specialized system of industry may be likened unto or compared with the growth or development of a tree, the roots, body, or trunk of which correspond to farming and agriculture and the branches, twigs, and leaves representing the different trades and callings, which have grown up and clustered around or thrown out from the body of the tree, the roots, body, branches, twigs, and leaves all forming one complete whole. All the different parts of the tree are dependent upon the roots' taking water and nourishment from

the ground, to be carried by the plant-life currents going upward through the body, to replenish and carry plant food for the growth and development of its parts. The different trades and callings of industry, the different professions and occupations of our specialized industrial system can no more thrive and exist without farming and agriculture than the branches, twigs and leaves of the tree can grow and survive independently and separately without the roots, body, and trunk of the tree.

If a tree is suffering impairment in growth, or is failing, dwarfed, or dying from drought and want of water, neither the tree, nor the perishing twigs and leaves themselves can be revived, nourished, or saved by sprinkling the failing branches and leaves for the water to be carried downward through the tree. The prompt, direct, and only way to replenish and save the tree, its branches, leaves, and twigs is to restore water to the roots of the tree. The water thus restored to the roots will be carried upward by the vital life currents of the tree through the trunk to restore the branches, leaves, and twigs, and every dependent part of the tree. It is folly and equally impossible to restore prosperity to industry by stimulating factory production, or starting industrial employment, or any other dependent part of industry which has grown up and around agriculture, without first restoring farming and agriculture.

Any evil impairing the roots of a tree or causing a failure of plant food in the soil at the roots of a tree will be reflected and shown in the branches and leaves dependent and suffering from the failure at the roots. Restoration of the failing, dying tree must come up from the roots to restore the branches, twigs, and leaves. And any evil impairing farming and agriculture, any abuse to burden the farmer and agriculture, taking away farm earnings and income, farm buying and consuming power, will be reflected in the impairment and the failure or destruction in every other dependent trade and calling, because all business and industry are dependent upon farming and agriculture. The restoration of industrial prosperity must first come up from farming and agriculture, from a return of farm earnings and income and a restoration of the farm buying and consuming power.

##### MONEY AS A MEASURE OF VALUE

But money, in our specialized system of industry, serves more than as a medium of exchange to enable the people to exchange their services and what they produce for others' services and what others produce. Money serves as a measure of value of the services and commodities as exchanged, measuring the value of services and commodities required to exchange for other services and commodities, measuring the amount of services and commodities required to pay taxes, debts, and mortgages, and to pay and satisfy contract obligations.

##### DIFFERENCE IN CONTROLLING PRICES

There is a difference in controlling and maintaining prices of industrial and manufactured commodities and the value of farm and agricultural products. Prices and values of manufactured products are fixed, adjusted, and maintained arbitrarily, by the determination of producers or by agreement among the manufacturers and are thereby controlled and maintained at will. But by reason of the number of independent farmers, no such determination by agreement is possible and prices of farm products and commodities are left to be fixed and determined by the volume and supply of money in circulation controlling the general commodity price level and under which farm prices rise and fall as the money in circulation is increased and decreased. If the volume and supply of money is increased, farm prices will rise with the increased volume of money. If the volume and supply of money is decreased, farm prices will fall with the decreased supply of money. If the volume of money is reduced one-half, prices of farm products will fall one-half. If the volume and supply of money is doubled farm prices will rise and be doubled, and are at all times subject to control by the volume and supply of money, all other elements and conditions being equal.

## FARM PRICES WHEN PANIC CAME

When this crisis fell upon the farming industry with a greater volume of money and with the higher normal values and price levels prevailing, the farmers were selling not more than one-fourth of their crops with which to pay taxes and interest, and leaving them with the other three-fourths or more with which to buy, take, and consume the products of factory, mill, and workshop. But when money was secretly contracted, first in 1920 and again in 1930, and reduced in volume and supply, forcing down values and the price level, the farmers were compelled to sell all, or four-fourths of their crops and products with which to pay taxes, interest, and fixed charges, leaving them with no part with which to buy and consume the products of factory, mill, and workshop, which destroyed the buying and consuming power of 40,000,000 farm population and dependents, with employers and employees in industry unable to consume their own output and production.

## FARMERS' FAILURE REACHING BACK TO INDUSTRY

And finally, this failure and destruction of the farmers' buying and consuming power, reaching back through the different trades and callings, left the retail merchant without demand, the wholesale house without sales, and the factory, mill, and workshop without orders; the wheels of industry slackened and slowed down and brought unemployment to industrial labor and destroyed the buying and consuming power of another thirty millions and their dependents. The whole industrial system, resting upon farming and agriculture, was left paralyzed in stagnation, and the people in want, suffering, and distress in the midst of plenty and great abundance; and the fatal circle of hard times was realized in every trade and calling in the throes of panic and depression.

## PANIC CAME FIRST TO FARMERS

It is the history of this panic or depression that the hard times began with the farmers, came first with the fall of farm values and prices, forcing down and taking away the farmers' earnings and income, destroying the farmers' buying and consuming power. And finally and ultimately, reaching back through our specialized system of industry, brought unemployment to the laboring masses and destroying the buying and consuming power of men in other trades and callings until all industry was paralyzed, until the panic was made full and complete.

## HOW THE PANIC CAME

The time allowed will not permit even a brief recital of the money manipulations and withdrawals of currency and credit from circulation, first in 1920 and again in 1930, under which currency was contracted over a billion and a half dollars and credit over \$15,000,000,000 in less than 1 year's time, all of which I have before presented in detail, with times, places, and names given, and the destructive effects resulting, in my remarks of May 2 and June 6, 1933, which are available on request. The fall of farm values and prices following this withdrawal of currency and credit is briefly told by the editor of the *Prairie Farm Journal*, who describes the vortex of farm prices coming immediately after the contraction of money as follows:

In 1920 in almost the twinkling of an eye the condition was reversed, prices fell to a ruinous low level. The exchange of commodities almost stopped. No one could sell anything at a price that was considered fair; wheat fell in price in 8 months from \$3 to \$1.60 per bushel. Corn fell from \$1.50 to \$0.35 per bushel; hogs, cattle, and all farm livestock and other farm products fell in proportion.

## WHERE FIRST RESTORED

Prosperity must first be restored where prosperity was first destroyed. Prosperity was first destroyed with the farmers. Prosperity must first be restored with the farmers. Prosperity can best be restored using the same power and means which was used to destroy prosperity. The power of money was used to destroy prosperity and the power of money must be used to restore prosperity. The steps and course which were taken to impair and destroy prosperity must be retraced and taken in reverse order to bring back and restore prosperity. The volume and supply of money which was contracted and withdrawn from circulation must now be restored

back to circulation. As the withdrawal of money from circulation forced down values and the farm price level, so the restoration of money back into circulation will raise farm values and the price level.

## THE NEW ADMINISTRATION

In 1932 the people, still suffering in distress, called the new Democratic administration in power. Congress was promptly convened in special session, and on full inquiry and due consideration, Congress and the President found that the depression had been caused by a failure of the buying and consuming power; that the failure of the buying and consuming power had resulted from a fall of values and the price level; that to provide a restoration and relief there must be a raise of commodity values, a restoration of the price level and the wage scale, to bring a return of money earnings and income back to the people. Congress and the President further found, as shown by the monetary measures enacted, that the fall of values and the price level had come from a contraction of currency and credit and that a recovery from the panic required a restoration of money in circulation to bring a raise of values and a return of earnings and income.

## THE REMEDY PROVIDED

To replenish the supply of money and credit, Congress enacted the relief currency provisions as embodied in the act of May 12, 1933, which provided for four different kinds of currency to restore money and credit withdrawn from circulation. Under the power and authority conferred by the act, the President has declared for the revaluation of gold as the means to be resorted to to replenish the volume and supply of money, and thereby to raise values and the price level and restore the buying and consuming power. The revaluation of gold in effect doubles the gold supply as a basis for money, with the same results and use for money as produced by the discovery of new gold mines and doubling the supply of gold and thereby the supply of primary money.

The release of the dollar from the millstone of monopolized and cornered gold, the prohibition and abrogation of the gold clause from bonds, contracts, and obligations, are the greatest strokes to relieve the people from the burden of impossible debts since Moses rebuked the pagan worship of the brazen image of the golden calf, and the human conscience revolted in protest against the money-changer's money and the miser's relentless pound of flesh. The enactment by this Congress of the Currency Act of May 12, 1933, and the declaration of the President for the revaluation of the gold supply is the most forward step taken in currency relief legislation in 100 years. No other Congress or President since Jackson's time has possessed the courage, resolution, and will to defy the special money interests, to renounce the pagan money idolatry and the worship of the brazen image of gold as President Roosevelt and this Congress.

## THE CONSTITUTION

Clause 5, section 8, article 1, of the Federal Constitution vests Congress with the power to coin and issue money and regulate the value thereof. But Congress has surrendered and abdicated this sacred constitutional power, to issue money and regulate the value thereof, to the Federal Reserve Board and banks—a private banking corporation, without obligation to the people or responsibility for public welfare. And the power over money remains today in the control of a monster money octopus, issuing, regulating, and controlling the value of money, in disregard of the will of the people and in defiance of Congress and the President—a rival power of the Government itself. The same international financiers and bankers who were in control of our money system when the blight of this panic fell upon this fair and prosperous land, are today in control of our money supply, dictating the volume and value of money and directing the extensions of credit at will.

With private international banking corporations left in the secret control of money and credits, the operation of any currency relief measure can be neutralized, counteracted, and annulled and the administration of these currency relief measures are being postponed, neutralized, and

delayed. These private international banking interests, left exercising the power to control the money supply, are neutralizing the operations of the law. They are trifling with the people. They are parleying with the people. They are toying with the people, as kings once toyed and trifled with their helpless dependent subjects.

There can be no enforcement of the currency laws, there can be no recovery from this panic, until the power vested by the Constitution in Congress to issue and regulate the value of money is taken away from private money corporations and restored to the sworn and chosen representatives of the people. This Congress preserves the authority to recover back this surrendered power to issue and control the money of the country from the international banking corporations, for direct exercise by Congress and the President. And this Congress should not adjourn until this power is taken away from private bankers and recovered back to Congress and the President, where the Constitution placed it and where it rightfully belongs.

It has been truly said of farming and agriculture: destroy the farms and the agricultural industry and leave the towns and cities stand and the towns and cities will perish, will fall to debris and decay. But destroy the towns and cities and leave farming and agriculture and the towns and cities will rise again from the debris, ashes, and chaos, because farming and agriculture are the fountainhead and source, are the foundation and basis of all business and enterprise, of all prosperity, industry, and wealth. It can be said with equal truth that prosperity and industrial recovery must come to the towns and cities from farming and agriculture, the source of all wealth and prosperity. Prosperity and industrial recovery must come and can only come from a rise of farm values and the price level, from a return of farm earnings and income, from a restoration of farm buying and consuming power, the power to take, buy and consume the products of factory, mill and workshop and the industrial labor of the towns and cities.

#### ALL MUST WAIT UPON FARMING

All business and industry are dependent upon farming and agriculture, all industry and enterprise must wait until prosperity comes back to agriculture, until earnings and income are restored to the farmers. The manufacturer must wait in his office for orders to start factory, mill, and workshop. The merchant must wait for customers to buy and take his goods and wares. The banker must wait at his wicket window for payment of this overdue interest and notes. The laboring man must wait and waiting, must stand idle. He cannot secure another day's labor, nor collect another dollar of wages or pay until there is a restoration of the farmers' buying and consuming power, a restoration of the farmers' power to buy and take the products of industry and industrial labor.

All men must wait upon farming and agriculture, because all wealth and prosperity must first come from the ground, from the bosom of Mother Earth, from which fountainhead and source all men are fed, clothed, and sheltered, and from which every vital necessary to sustain life and every comfort and convenience comes and from which every joy and pleasure flows, and all the charities that sooth, heal, and bless spring—all from the bosom of Mother Earth.

Agriculture came as the first business. Farmers came as the first business men, as the workers in partnership with nature, the attendants upon the great fountain source from which flow all comforts and blessings and upon which to administer and from which to dispense all sustenance of life and existence.

There can be no recovery or prosperity to any part of our system of industry until there is a restoration of the farm buying and consuming power and there can be no restoration of the farm buying and consuming power until there is a rise of farm values and the price level, and there can be no restoration and return of farm commodity values and prices until there is a restoration of the volume of money back in circulation. Either or any of the four currency measures provided for in the Farm Relief Act of May 12, 1933, including the revaluation of gold as declared for by

the President, will restore the money supply, raise farm values and the price level, and restore farm buying and consuming power.

#### THE SPECIAL MONEY INTERESTS

The special money interests, apprehensive of the currency relief program entered upon and completed for enforcement, are demanding that Congress adjourn and leave them in control of the money system to maintain high money values and low property and commodity values and thereby to hold their ill-gotten gains. But the common people of the country, if they are wise and awake to their interests, should insist that Congress remain in session until the power to issue money and control the volume and value thereof is recovered from the strangle hold of international financiers and manipulating bankers; until the money supply is restored to the people; until farm values and the price level is raised; until earnings and income are restored to the farmers; until the buying and consuming power, the tax, interest, and debt-paying power is restored to the farmers of the country; until this Congress has completed the work for which it was elected and commissioned to perform and normal prosperity is restored to the people.

#### PROSPERITY WILL BE RESTORED

If Congress and the President would act now to recover from private corporations the power vested by the Federal Constitution in Congress and the President to issue money and to regulate and control the value thereof, and the currency relief measures, enacted to restore the money supply, approved of and declared for by the President, were administered and carried into force to restore the depleted supply of money and credit, farm commodity values would rise, farm prices would be doubled by next fall crop market time, with a return of farm earnings and income and a restoration of farm buying and consuming power.

The effect upon the people and the country would be like magic. The doors of factory, mill, and workshop would stand ajar—swing open. The wheels of industry would start. The whirl of machinery in motion, the din of saw and hammer would sing the song of prosperity returning amid the glad hosannas and rejoicing of 120,000,000 people.

Every dollar paid out to stimulate industry or to revive industrial employment before restoring the farmers' buying and consuming power, is an expedient for temporary relief, a form of dole and public charity, with administration costs and interest added, paid from taxes and borrowed money, piling still higher taxes and the tax burden, only with conditions to relapse when payments stop.

Prosperity must come first to the farmers.

#### A VICTORY FOR COMMON SENSE

Mr. FOULKES. Mr. Speaker, it is gratifying to note the victory that was won for common sense in the United States Senate yesterday when, by a vote of 53 to 24, the nomination of Dr. Rexford G. Tugwell for the position of Under Secretary of Agriculture was confirmed.

I had, of course, no fear as to the outcome of the fight, but it is gratifying, now that it is over, to reflect on the significance of it. As Senator GEORGE W. NORRIS well said, if Tugwell had been defeated, it would have been one of the greatest triumphs for special privilege the country had ever seen. Seldom in the history of our country had the exploiting forces been more solidly lined up against a man than they were against Rexford Tugwell. Recognizing in him a remarkably courageous, efficient, and progressive official whose sympathies are sincerely and completely with the forgotten man and who believes America should be governed in the interest of the plain people rather than the parasites of Wall Street, they made a bitter-end fight to block his confirmation. That they failed is good news to every friend of industrial as well as political democracy—every citizen who wants to see the new deal actually bring the fullest opportunities for all.

In appointing Professor Tugwell, President Roosevelt, as I have previously stated, did one of his finest, most commendable official acts. In confirming him, the Senate lived up to the highest ideals of citizenship and humanitarian government.

## INDIAN LEGISLATION

Mr. DIMOND. Mr. Speaker, it is a matter of considerable regret to me that I have not been able, on account of limitation of time, to express at length my views with respect to this bill, S. 3645, for which has been substituted the bill recommended by the committee in the report of H.R. 7902. I suppose at least 20 of the Members of Congress who are vitally interested in legislation for Indians also desire to speak on this bill, but are prevented from doing so by limitation of time under parliamentary procedure, and the Chairman has very generously given as much time as possible to the several Members who wish to speak on the measure.

Various objections have been made to the passage of the bill. Alaska and the native peoples of Alaska are vitally interested in all Indian legislation. I have heretofore addressed the House upon conditions in Alaska with respect to my native neighbors and friends, and I shall not here repeat what I have said before. One objection made to the passage of this bill is evidently based upon the conception that because the Indians of America have been unjustly treated in the past we ought not now endeavor to right the wrong that has been done them. It has been said in words or substance that if all the measures considered for the relief of the Indians were passed, the relief in money afforded by these bills would run in the billions of dollars. I have never been able to convince myself that justice should be denied because the results may be devastating to those who have committed the crime. It is my considered opinion that if the Indians of Alaska—and by Indians I include, of course, the Eskimos—were treated justly by the United States Government, the amount really due to them and that equitably would be required to be paid to them would run in excess of \$100,000,000. But we ought not be frightened or deterred from doing justice by this conclusion.

I suppose we have all read Helen Hunt Jackson's book, *A Century of Dishonor*. Nobody has ever challenged successfully the statements of fact contained in this work. Another *Century of Dishonor* might be written as to the treatment of the native inhabitants of Alaska. The fact that somebody must pay for injustice, the fact that somebody must make restitution for rights and properties taken and invaded, is no reason why the Government of this great Nation should not do justice, should not make restitution.

This bill, if enacted into law, and I anticipate it will be, goes only a short distance in righting the wrongs that have been done to the Indians all over the United States, including the Territory of Alaska. It is, however, a step in the right direction. It is a beginning at least. And I am much comforted by the conviction that we have in high official positions, in the offices of the Secretary of the Interior and of the Commissioner of Indian Affairs, men who will always sacrifice expediency to the demands of right and justice. And, therefore, I am hopeful, and indeed confident, that this is but a step on the road which will ultimately lead to the doing of a fair measure of equity to the original inhabitants of the United States and Alaska.

The bill before us has much to commend it. It will give to the Indians an opportunity for cooperation and self-government that they have not heretofore enjoyed. So far as Alaska is concerned, not so many of the provisions of the bill can apply. But anything that looks toward increased opportunities for education and self-help is bound to be beneficial to the natives of Alaska as well as to the Indians of the United States.

May I here remove, if I can, a misconception about the Indians of Alaska, a misconception as to their mental aptitude. It is my own view, based upon careful examination and inquiry, that the mental capacity of the natives of Alaska is at least equal to that of the white people of the United States.

As I understand this bill, it will not lead to the segregation of the Indians of the United States and Alaska. Indeed the purpose of the bill is just the opposite. The Indians of the United States and the Indians of Alaska are citizens and they ought in all cases, and I think they will in all cases, exercise their rights of citizenship in every respect.

As I see it, the paramount need of the Indians of Alaska, and the paramount need of peoples everywhere, is proper education—education in its broadest sense and terms. This bill, I am happy to say, contains special provisions for the education of the Indians. It is a mistake to believe that the Indians should be educated only in vocations. After all, I am confident that the education for the Indians should be just as broad, just as all-embracing, as the education for the white people of the United States. If our ordinary courses of education prescribed by the schools and colleges and universities of the United States are right, are the best for the Caucasian races who inhabit the United States, they ought to be equally good for Indians. What we are endeavoring to build is a nation, and not a clan or tribe. The Indians are Americans, the original Americans, and I know that in Alaska they do not wish to be segregated, they do not wish to have a life or civilization of their own, but they really desire to be a part of the body social and politic, and I intend, as long as I am a Delegate from Alaska, to do everything within my power to help them in their endeavors.

## WHEELER-HOWARD BILL

Mr. BEITER. Mr. Speaker, the Wheeler-Howard bill provides only for increased control of Indian Affairs by the Department of the Interior and carries appropriations of \$12,500,000 per year to further this control. The Department now has full power and authority, according to a letter sent Mr. John Dady, superintendent Mission Agency, Riverside, Calif., on August 14, 1933, by Commissioner Collier, and approved by the Secretary of the Interior. This letter I quote in part:

The following instructions and information are for your guidance, and this letter may be exhibited to Indians and others in your discretion:

(1) Executive authority in Indian matters is vested in the Commissioner of Indian Affairs, subject to review by the Secretary of the Interior. You, as superintendent of the Riverside Agency, are directly responsible to the Commissioner of Indian Affairs.

(5) There exist certain statutes giving an extremely broad power to the Commissioner of Indian Affairs, the Secretary of the Interior, and the President to forbid white persons from going onto Indian land and to forbid Indians from entering upon reservations other than their own. Severe penalties can be evoked. It is not the policy of this administration to employ these broad authorities at the present time. It is believed that ample means of correction exist in the statutes, of general application, which forbid and punish acts and conspiracies designed to obstruct the Government's work and to impede law enforcement.

It would seem that such a statement from the Commissioner would indicate that the Indians are now under full control of the Indian Bureau, subject to review by the Secretary of the Interior.

This bill, it has been stated, is optional among the Indians. They can take it or leave it alone. But the question arises, Will they be allowed, under the present complete authority of the Bureau, to do as they think best? A telegram from the Yuma Tribal Council in California, seems to indicate that the Bureau intends to establish these communities regardless of what the Indians themselves wish. This telegram dated June 15, the day the bill passed the House, states in part:

Bureau has field man by name of Gates who claims his purpose to organize us into communities. Members his committee threaten to take our homes away because we oppose Collier bill. Much suffering, strife, and turmoil as a result. We have already petitioned for removal of Agent Jolley.

I am opposed to such methods of securing approval of measures by the Indians. Delegates from California have stated to me that the meetings held in California among the Indians were under the control of the Indian agent, that he tried to prevent the spokesmen of the various missions from speaking, and attempted to have only one man speak for the whole group, but that the various spokesmen protested against this method, and that the meeting broke up without being put to a vote of the delegated spokesmen. Other instances have been called to my attention where Indians who were employed either by the Bureau or the I.E.C.W. have not dared to raise their voice against this bill because they would immediately lose their jobs. While this

situation may not be true of all the tribes whom Commissioner Collier has stated have approved of this measure, it does open the way to speculation as to just how many of the tribes who supported this measure did so under duress.

It would seem contradictory to the advice given to the Indians by Commissioner Collier at Fort Wingate, N.Mex., on July 7, 1933, as reported by the Arizona Republic, Phoenix, Saturday morning, July 8, 1933, when he stated to the Navajo Tribe:

Take the utmost responsibility and initiative in your own affairs, and let the Government no longer play the authoritative role but serve as a service agency only.

It would seem reasonable to presume that some of the very bitter opposition to the passage of the Wheeler-Howard bill may have had this advice as a foundation.

It would be difficult to determine just what the policy of the Commissioner in regard to the Indians is in view of the fact that he advised them on July 7, 1933, to "let the Government no longer play the authoritative role", and, on the other hand, on August 14, 1933, advised a superintendent of an agency that "executive authority in Indian matters is vested in the Commissioner of Indian Affairs."

It would seem a matter of great interest to the taxpayers of America that \$12,500,000 per year are to be appropriated to carry out the provisions of this bill which has been opposed by intelligent Indians themselves from all over the United States.

Mr. Speaker, I am in receipt of a copy of letter signed by a committee of Indians representing many thousands of their people. Their names and the tribes they represent are as follows: Adam Castillo, president Mission Indian Federation, California; Levi Walker, Klamath Tribe, Oregon; Alfred Minugh (individually), Gros Ventre, Montana; Winslow J. Couro, Santa Ysabel Mission Indians, California; Delos K. Lonewolf, Kiowa, Comanche, and Apache Tribes, Oklahoma; Joseph Brooks, Siouan Tribe, North Carolina; Joshua Jones, chief of Six Nation Confederacy, New York; Joseph Bruner, principal chief Indian Nation Confederacy, Oklahoma; W. G. Walker, Chock-Chance Tribe, director, Indians of California, Inc.; Alice Lee Jemison, secretary to Ray W. Jemerson, president Seneca Nation of Indians, New York.

The letter was addressed to the President of the United States. The signers of this letter appeal to the President to veto the Wheeler-Howard bill. I quote the letter in part:

We, the undersigned, duly delegated representatives of our different tribes of Indians of the United States, respectfully appeal to you to veto the Wheeler-Howard bill, pertaining to Indian affairs, which was just passed by the Seventy-third session of Congress.

This bill is supposed to give the Indians self-government. The first principle of government by the governed is a voice in that government. This is not the bill which was discussed with the Indians on the reservations. It has been completely changed by both the Senate and House Committees on Indian Affairs since it was introduced into Congress. The Indians of the United States do not know what provisions are embodied in the bill as it was passed.

We respectfully call to your attention the statement which was made to the Indians by Hon. John Collier when he met with them in council at Rapid City, S.Dak., March 2 to 5. Commissioner Collier stated: "The President has examined this bill and favors it. The President knows that we are taking this question back to the Indians. If the bill should become twisted into a wrong shape by Congress, if the bill should be made into something else which does not do what we are telling you, but does something different, then I think you may be confident that the President will veto the bill."

We respectfully call to your attention the fact that some of the Indians who wished to be excluded from the bill and filed that request with the Senate and House Committees on Indian Affairs were not so excluded, while other tribes were excluded.

This bill will keep the Indians segregated and apart from the rest of the population of the United States. Not all of the Indians in the United States wish to be kept segregated and apart. We wish to be Americans.

Already this bill is causing strife and suffering upon the reservations, and Indians who opposed it are being intimidated and threatened with the loss of their land.

Confident that you, the legally constituted guardian of the American Indians, will hear the voice of your wards, we send you this memorial, asking that you veto this bill.

Mr. Speaker, I also quote from a letter I received, dated June 15, 1934, signed by Alice Lee Jemison, secretary to Ray W. Jemerson, president Seneca Nation of Indians.

I sincerely regret that the New York Indians were not excluded from the provisions of the Wheeler-Howard bill as they have always previously been excluded from blanket legislation because of certain treaty rights.

We of New York State—and I speak as a representative of at least 4,700 of us—do not feel that this would have happened if we had had the opportunity of appearing before either the House or Senate committees.

On receipt of your letter dated April 18, 1934 to Hon. Ray W. Jemerson, president of the Seneca Nation of Indians, wherein you stated that the House Committee on Indian Affairs would advise you when a hearing date would be set, I was instructed by President Jemerson to so notify all other tribal councils in New York State that they might prepare to come to Washington. That letter to these tribal officials further stated that I would immediately advise them when word from you was received. But the next word we received was a reply to an inquiry from me addressed to the House committee wherein it was stated that the bill would be favorably reported out and that the hearings were closed.

On April 30, 1934, President Jemerson sent a night letter to Senator COPELAND and to Senator WHEELER asking the Senate committee to either exclude the New York Indians or grant them hearings. On May 9 President Jemerson received an acknowledgment from Senator WHEELER, dated May 8, wherein it was stated:

"This bill is now to be studied by a subcommittee to be appointed shortly with a view to recommending to the whole committee as to the legal and other aspects of the bill, and until such a report is submitted by the subcommittee no further hearings will be held on the bill."

And as far as we know, Congressman, that is where the bill must still be, for we have received no notice that the hearings have been reopened.

We are very grieved that this attitude should have been taken by the committees. Always before this our treaty rights have been respected. One of our Senecas made the remark that history says that George Washington never told a lie, but Congress has now made a liar out of him by not excluding the Six Nations from this legislation.

Mr. Speaker, I sincerely trust that the next Congress will immediately amend this bill to exclude the New York Indians.

#### UNEMPLOYED EXCHANGE ASSOCIATION

Mr. CARTER of California. Mr. Speaker, at this time we are again considering appropriations of money from the Federal Treasury for relief of the unemployed in the several States. I wish to bring to the attention of the House the results of an experiment in my district carried on by unemployed people themselves, in which they are avoiding charity and direct relief, and are earnestly seeking a new way of life by their own efforts.

I am bringing this to your attention, not as an argument for immediate changes in our national relief program set-up but so that each of us may think about the problem of unemployment from another point of view. It is the point of view of the men or women who, through no fault of their own, now find themselves without means of support and who are delaying to the utmost that dreaded day when they will be compelled to ask for direct relief, and who are slowly exhausting their own resources and the resources of their immediate friends and relations.

In the whole matter of unemployment we have thus far followed old thought patterns, developed during our prosperous years. Then we had only the "technically unemployed" and a few natural indigents ever present in our social structure. Today we have in the ranks of our unemployed, perhaps permanently, the man and woman over 40 years of age, dropped from industrial rolls because of the growing productiveness of the machine per man power.

The experiment of which I speak, now being carried on by unemployed people in my district, while comprising only a microscopic speck in the whole mass of our Nation's unemployed, is nevertheless of importance. The experiment is so being regarded by educators and sociologists throughout the country, very much as a biologist would study a single cell under a microscope.

This experiment began about two years ago when six family heads sat around a table and voluntarily formed themselves into an association for the purpose of exchanging their labor and their skill for those things which they needed—the necessities of life.

In the beginning they gave themselves the name, "Unemployed Exchange Association." But after a few weeks the initial letters U.E.A. were changed to read U.X.A. because it was found that X, the old algebraic symbol for the unknown, more nearly represented that value which arose when several people got their minds together on a common problem.

From this small beginning of 6 family heads, the association has now grown to provide 100 percent of the health and dental services, 80 percent of the diet, 20 percent of the clothing, and about 5 percent of the housing needs of its membership, now comprising the heads of over 600 families, a total of some 3,000 children, women, and men.

All this has been accomplished by the people themselves by exchanging their labor and skills directly. No county, State, or Federal aid whatever was given, except a grant of \$5,000 by the Federal Emergency Relief Administration, under the terms of the Emergency Relief Act of 1933.

And it is extremely significant that this group of unemployed people carry the \$5,000 on their books as a "loan" which they expect to pay back into the Federal Treasury. The group also insists on working for the Federal surplus foods distributed to them through the county relief. And at this time they are thus buying the surplus food at the rate of about \$800 per week, and paying for it in trucking and other services at the rate of \$500 per week.

From the figures supplied me by the leaders of the association, I find that the group's activity has saved the county, State, and Nation over \$400,000, which would have been paid out of relief funds had the association not been formed.

If the people in one neighborhood can do that for themselves, what could the unemployed of the Nation do if it were organized along the lines of this group?

But the really impressive thing about this experiment to me is the fact that in the face of need and despair the members saw that without organization they could not accomplish their purpose, and so in the face of need and despair they deliberately devoted the major portion of their energies to building a new set of human relationships.

Already in this experiment several important discoveries have been made. Time will not permit me to list all of them, but I shall call your attention to three which seem of fundamental importance:

First. After trying various types of management—many forms of master and servant relationship—only pure democracy really works.

Second. No opposition has been met with from the surrounding community except from Communists and other left-wingers.

Third. By demonstration, discussion, and trial a new form of adult reeducation is being developed, which leads to better citizenship.

In these days when we are turning to a pattern of highly centralized government, it is significant that these people, grappling with the cold facts of life, find that pure democracy works better than any other form of management.

The leaders of the group informed me that when they were convinced that the tendency of the people was toward democracy they immediately set to work to find an organizational pattern which would permit of a free expression on the part of each individual. The result was a conference method of operating sections.

That is to say, the people engaged in the various basic functions of the group were organized into operating sections, for example, transportation, food production, food trading, salvaging, bookkeeping, graphic art production, fuel, housing, health and dental service, educational activity, manufacturing, special contact work, and so forth.

Not more than 25 workers are enrolled in a given section because it has been found that not more than 25 people can actually sit around a table and engage in a real conference.

Each section elects its own leader or coordinator. The coordinators of all operating sections together form the coordinating assembly or governing body of the group.

No restriction is placed upon an individual member moving from one section to another, except that he or she must

be elected into membership of the section by a majority vote. By this method each member gradually finds the kind of work he likes best, and at which he is most efficient.

Every member of the group is on the same social and economic basis. An hour's work by an accountant, doctor, lawyer, engineer, or any other specialist, is regarded to be of the same value as that of the agricultural worker, the woodchopper, carpenter, plumber, mechanic, or any other kind of skilled worker.

No distinctions are made in race, creed, or sex. Anyone who is unemployed may join. And if he is in immediate need the group will extend him a credit of 2 hours on its commissary until he can get to work and earn credits.

No scrip is used in this experiment, but for each hour's work the member is credited with 100 on the auditor's books. The members refer to their credits as "100 points per hour."

Commissary prices are computed as follows: Prime cost, plus transportation cost, plus a factor of inflation. Inflation is introduced only to balance prices. Points of inflation are carried in the inflation and deflation ledger account of the association.

When I asked about this feature of their economics, the auditor informed me that early in the experiment a man, whom we shall designate as A, worked 1 hour for a wood stove. It happened to be a good stove. Next day or so another man, B, worked 2 hours for another wood stove not quite so good. It cost 25 points to move each of the stoves into the commissary. Result: The good stove was priced 125 points, the poor one, 225 points.

About that time—

Said the auditor—

along came the typical American housewife. So we changed the price tags around until we got the blind staggers. Then we invented the factor of inflation.

Overhead expense is taken care of by a monthly assessment of each member for "operating labor time." At the present time operating labor time is around 1,200 points per month. This figure is determined each month by the auditor, and approved by the coordinating assembly, by totaling the hours of work on the part of bookkeepers, special contact men (who set up all trades), and others engaged in non-productive work necessary to maintain the association.

Five executive officers are elected for a 6-month term by the general assembly, which means every member has a vote. These offices are auditor, chairman of general assembly, vice chairman of general assembly, secretary of general assembly, and chairman of the coordinating assembly.

The auditor is responsible for the keeping of all records; the secretary keeps minutes of meetings and acts as custodian of all records; the general assembly chairman is responsible for all social and cultural activity; the vice chairman is an alternate; and the chairman of the coordinating assembly is charged with the responsibility of operations when the coordinating assembly is not in session.

Officers may be removed by a majority vote of the general assembly, except in the case of the chairman of the coordinating assembly, who may also be removed any time by failing in a vote of confidence in his assembly.

Stability is maintained in the management of the group by the influence of its general school, in which any member of the association may enroll, but only those qualified for leadership can graduate.

By common consent, when democracy fails in any part of the group the general school sends a representative to govern until order is restored and production resumed.

Every graduate from the general school must be a specialist in some particular basic function necessary to maintain the group life. Graduates are of two classes, A and B. A graduates are few and only those who show the highest qualities of leadership. B graduates comprise the administrative types who lack the creative faculties to make plans but who have shown the ability to execute plans.

After 2 years' activity, this group of unemployed people have found practically no opposition to their efforts to find a new way to live excepting from communists and other extreme left-wingers of opinion. Merchants, industrial

establishments, and a few public-service corporations are trading freely with the group.

The general idea of unemployed people trading their labor and skills for things they need to live appeals to the mass of the American people, except in the few instances mentioned among those of extreme left opinions.

Early in the experiment it was found that very few of the members had any ideas as to where their food supply came from. Farmers stranded in the city were sought out and from them some information was secured. Agricultural experts in the University of California were called upon. Slowly the mind of the group was turned in quest for food from the grocery store to the farm.

Two ranches are now being operated by this group of unemployed, one of them a fruit ranch of 176 acres. Another delta farm of 256 acres will soon be under cultivation, where the major portion of the green-vegetable supply is to be raised.

It was found that so little is known about food production by people who live in cities that the general school of this group is now at work preparing booklets for printing to be circulated among children. One of the titles, which I happen to remember, is, "The Onion Who Came to Town." These booklets will be humorously illustrated by the graphic arts section of the group, and written so that children will enjoy them while learning facts about food production and distribution. It is the hope of the group leaders that adults will learn from the booklets, too.

A nursery school is also maintained by the group, where mothers leave their children in competent hands while they earn credits working at hand looms and in other handicraft activities. Here the doctors in the group call every day and examine the children, and by this method the health of the children has been kept to a satisfactory level. During one month 20 children had their tonsils removed in a hospital, where painting and carpentry were traded for hospital services.

During one series of operations the surgeons ran short of ether. But that did not stop them. The special-contact section set up a deal to trade some concrete stepping stones for the needed ether, and the work went on.

Strange as it may seem, the work of sculptors has helped to keep children in good health. This was done by trading sculpturing to orange growers for oranges. During one month 100 tons of oranges were secured by these methods. Little resistance is met in trading art work. One of the leaders explained: "Those who have, have everything they need but more works of art."

Group activity now covers about 10,000 square miles. Eighteen trucks and as many contact cars are constantly on the move. Every day about 9,000 pounds of food are brought into the group's commissary and issued to members. One tank car of gasoline is used every month.

To my mind this experiment in unemployed self-help, which began 2 years ago with a bundle of newspapers earned by cleaning out a basement, is an example of the resourcefulness of the American people in a time of great stress, which is worthy of our consideration here in the House.

By their own efforts the people in this group of unemployed are in a great measure providing for themselves, are reeducating themselves to meet the new problem of their lives, are an example to the Nation, and by their acts are creating the pattern for a law-abiding, constructive citizenry.

I ask every Member of this House to keep this experiment in mind, for in the near future self-help among the unemployed may yet show us the permanent solution to our problem of unemployment.

**THE FORGOTTEN VETERAN OF TWO OR MORE WARS MATERIALLY AIDED BY OUR PRESIDENT AND GENERAL HINES**

Mr. HOEPEL. Mr. Speaker and Members of the House, there is no class of veterans in the United States today more entitled to consideration at the hands of the administration than the continually serving individuals of our regular services. Always the nucleus of an expanded Army, exceptionally competent because of long experience, and faithful

and loyal to an outstanding degree, this worthy group, when placed on the retired list, has suffered pathetically and oftentimes tragically as a result of the apparent indifference to their welfare and lack of consideration in their behalf by the Congress.

Since the period of the Civil War, veterans who served in the Army, Navy, and Marine Corps in time of peace, including Indian War veterans, have received a very insignificant service-connected disability pension compared with the cost of living. While the pensions granted to peace-time veterans in this category may have been adequate prior to the Spanish-American War, the increased cost of living since that period, and especially since the World War, has made the amounts paid as pensions to this type of veteran entirely inadequate.

I am pleased to state that on my petition and that of others, in which General Hines, the Veterans' Administrator, extended every helpful encouragement, pensions to this class of veterans have now been increased 50 percent over those formerly received. Pensions to the dependents of peace-time veterans have also been increased 50 or more percent, according to the number of dependents. Included in this category are 19,000 disabled peace-time veterans from all branches of the services, plus approximately 14,000 World War veterans disabled in service, but who were removed from the compensation rolls because they enlisted after the armistice.

**HOSPITALIZATION BENEFITS ALSO EXTENDED**

Because of the gag rule, I was unable to offer any amendment in this session of Congress to grant hospitalization in Veterans' Administration facilities to this class of veterans. Senator TYDINGS, of Maryland, however, at my request, introduced such an amendment to Public, No. 78 of this Congress and as a result thereof, peace-time, service-connected disabled veterans may now enter Veterans' Administration facilities on an equality with service-connected disabled World War veterans.

Another exceedingly humane and beneficial provision in reference to hospitalization rights in Veterans' Administration facilities was recently secured. On my personal request to the President, reciprocal hospitalization is now authorized for retired officers and men of the Army, Navy, and Marine Corps. Heretofore, retired Army personnel requiring hospitalization were permitted to enter Army hospitals only while retired personnel of the Navy and Marine Corps were permitted to enter naval hospitals only. Through the kind and gracious consideration of the President, officers and men of these services may now enter either an Army or Navy hospital. While patients at such hospitals, however, they must pay a daily maintenance charge for subsistence.

As an individual who retired from the Army as an enlisted man after 30 years service, and as editor of the Army and Navy Advocate, published at Arcadia, Calif., and devoted to the interest of retired officers and men of the Army, Navy, and Marine Corps, I am thoroughly conversant with the problems of the services, and I have for years endeavored to remove the various discriminations which operate against this small group of worthy long-service veterans.

I am now making a determined effort to obtain a further concession from the President to grant to retired officers and men of these services reciprocal hospitalization in all Veterans' Administration facilities, including the right to enter any soldiers' home anywhere in the United States on an equality with other veterans. Recognizing as I do that the President has evinced the deepest interest in the retired personnel, I am very optimistic and I anticipate the issuance of regulations which will bring these benefits to this group in order to spare them the discomforts and expense of traveling long distances, when ill, to enter the few existing Army and Navy general hospitals. If, as anticipated, the President issues a regulation granting reciprocal hospitalization in any Government facility to the retired personnel, it will be a godsend to these men, many of whom are aged and decrepit and seriously disabled due to long periods of service

on the Western plains, in Cuba, the Philippines, China, and during the World War.

Prior to the enactment of the economy bill, the retired personnel were entitled to equality in hospitalization with all other veterans. This authority I secured for them under the act of July 3, 1930, as a result of which, approximately \$200,000 per annum was saved to these worthy veterans because of the benefits of hospitalization extended to them by the Veterans' Administration. The anticipated regulation, to which I have just referred, as explained to me, will be more liberal in its application to the retired personnel than the former law which was repealed.

#### RETIRED PERSONNEL HAVE BEEN THE FORGOTTEN VETERANS

Prior to November 1928, when I launched the Army and Navy Advocate, the retired personnel were indeed the forgotten men of America. Aged and infirm, because of long service under tropical and other trying conditions, the majority of them possessed very little physical strength to espouse their cause legislatively. With the advent of my publication, I was successful in obtaining recognition legislatively, first, by obtaining hospitalization privileges in the Veterans' Administration facilities, as I have mentioned, and in addition, I was successful in obtaining commissioned and enlisted World War rank on the retired list for all men who served as emergency officers during the World War in any branch of the service. I also secured the passage of a bill to award the Distinguished Service Cross to former holders of the Certificate of Merit, which corrected a glaring injustice perpetrated on retired enlisted men who had distinguished themselves by extraordinary valor in battle.

In this session I introduced a bill to save retired officers and enlisted men of the Navy and Marine Corps from the reduction of 20 cents per month for hospitalization from their already inadequate retired pay. This bill, which is now before the President for his signature, will no doubt meet with his approval, thus saving to the 17,000 officers and men on the retired list of the Navy and Marine Corps at least \$33,000 per annum. In addition, all officers and men retired in the future from these services will be spared this unnecessary reduction heretofore required under an archaic law enacted prior to the death of our beloved Washington.

#### SAVED ENLISTED MEN FROM PAY CUT

Very few retired enlisted men are cognizant of the fact that, due to my efforts, they were saved from a deduction of  $8\frac{1}{3}$  percent in their retired pay in the fiscal year 1932. While this large group of men were spared this deduction, very few of them ever stop to consider the effort and expense which was necessary in order to save them from this loss.

I was the first Congressman to urge enactment of legislation repealing the 15-percent pay cut. We were fortunate in securing 10-percent restoration of this pay cut to take effect July 1, 1934, thus adding to the distressingly low incomes of the retired personnel.

It was my pleasure also to publish the first directories of retired enlisted men ever published in the history of our Army and Navy. Through this publication, comrades and shipmates who had served together in the yesterdays were enabled to contact each other, thus bringing a ray of sunshine and comfort to them in their declining years by the renewal of acquaintanceship through correspondence. In one known instance comrades were reunited who had not seen or heard of each other for 50 years.

Some other advantages secured were reciprocal post exchange provisions and authority for the retired personnel to purchase from quartermaster or naval supply stores, thus saving them, with their low retired pay, from exorbitant prices.

Quite a number of individuals, who were receiving insignificant retired pay after 30 years' service and who had subsequently entered the civil service, were assisted in securing civil-service retirement plus a pension, thus augmenting their annual income, even though at the same time they forfeited their enlisted retired pay. Many other individuals were assisted to increased pay rightfully due them.

#### WIDOWS ASSISTED AND DISCRIMINATIONS CORRECTED

Pensions beyond number were secured for deserving widows. Because of the difficulties frequently encountered in establishing right to pension, my office initiated and urged the preparation of pre-widow pension forms, so that the wife of a veteran may have the assistance of her husband in assembling all the necessary data for a claim for pension as his widow. Thus, in the event of the death of her husband, a valid claim can be filed immediately, reducing expense of the Veterans' Administration in adjudicating the claim and saving the widow from a great deal of anxiety and uncertainty in the preparation of a claim after her husband's death, not to mention the financial distress incident to indefinite delay in the award of a pension.

Discriminations practiced against retired enlisted men who were employed in private or public service have been corrected by the score through the efforts of the Army and Navy Advocate.

#### ELIMINATION OF EXISTING DISCRIMINATIONS HOPED FOR

No one can deny that the cost of living has increased quite materially since 1908. Notwithstanding this fact, the enlisted men on the retired list receive the same amount as allowance for subsistence, quarters, and clothing as they received in 1908. Today enlisted men in the active service, under similar conditions, receive approximately four times more for this maintenance cost than do retired enlisted men. This is one of the most flagrant discriminations which must be removed in the interests of a square deal to the old-time veteran of two or more wars.

Another objective is to extend to approximately 160 men, who served as naval officers during the World War and who commanded vessels, the right of retirement with the pay of retired warrant officers. Approximately 2,100 individuals who retired as enlisted men and who served as commissioned officers during the World War have been granted this consideration, but due to an unfair decision of the Comptroller General enlisted men transferred to the Fleet Naval Reserve and subsequently retired have been denied this fair and equitable consideration.

A further discrimination which exists today against a very worthy group is the provision in law which prevents warrant officers in active service from receiving the longevity increase in pay as officers. For pay purposes and in matters of rank, and so forth, they are considered as officers, not only by the War Department but by the Comptroller General in his various rulings. Nevertheless, on account of an oversight in legislation, Congress as yet has failed to give officers' longevity increases to these warrants officers.

#### ACTIVE SERVICE LEGISLATION ALSO SECURED

It was my privilege to introduce a bill to repeal the 3-year tenure of service in the Tropics and I am now pleased to state that, through my efforts, officers and men are no longer forced, without their own consent, to remain more than 2 years in Panama, the Philippines, China, and so forth. Aside from the economy involved, the enactment of this law was a great moral victory for our Democratic administration in repudiating as it did the 3-year Tenure of Service Act, enacted in the closing days of the Republican regime. Not only officers and men of the active service but their families and others should be very appreciative of the administration's sympathetic interest in their welfare through the approval of this act.

#### SERVICES GIVEN WITHOUT REMUNERATION

Only too frequently individuals are recipients of certain benefits and enjoy certain privileges, little realizing the efforts which have been expended by some individual or group toward this objective. For almost 6 years I have given my services as editor and manager of the Army and Navy Advocate, published at Arcadia, Calif., a distinctive veteran periodical, the first and only one of its kind published in behalf of the retired personnel of the services. As a Representative in the Congress, with an enlarged sphere of influence and greater opportunities for service, I have continued the publication of the Advocate, at considerable expense and inconvenience to myself, so that my comrades and their dependents might be fully informed of the various



aspects of the legislative problems in the Congress affecting their interests. The subscription price was purposely kept at a minimum—a dollar a year—with the hope that every retired officer and man would subscribe to this periodical in order that, through concerted effort based on full information of the issues involved, the fight in the Congress for simple justice to the Nation's defenders and their dependents might be carried on more effectively. Having given of my time unstintedly as editor and manager of the Advocate without monetary compensation, I feel repaid as I survey my accomplishments in this field in having been able to bring aid to my comrades who have served our colors throughout the years.

Peculiar as it may seem, nevertheless it is true that only too frequently men will spend large amounts to belong to certain organizations or groups in their immediate vicinity and at the same time fail to support an organization or group at a distance which is interested entirely in their welfare. Notwithstanding the lack of support given me by the majority of the individuals for whom I have labored consistently, I am grateful for the gracious appreciation of the more alert and active of my comrades who have supported me and who continue to cooperate with me by continuing their subscriptions, regardless of their financial difficulties.

One of the lessons in the strategy of war is that the entire army cannot be at the front in active combat. Those who have been in the front lines with me in my endeavor have never faltered, even though we have often looked to the rear, hoping for the support of the reserves to ease our economic battle as we continue to fight for the progress of the whole.

#### ACCOMPLISHMENTS, SECOND SESSION, SEVENTY-THIRD CONGRESS

Mr. BYRNS. Mr. Speaker, it is a privilege to have served as a Member of the Seventy-third Congress, the most important Congress, in my opinion, that has assembled in our generation, and one worthy to rank with those outstanding legislative bodies which mark the creation of new eras in the struggle for human progress. There has been a rebirth in this Nation of that Jeffersonian principle which places human rights above property rights and we, as Members of this Congress, have contributed our share toward that endeavor. The new deal—as President Roosevelt has so aptly characterized it—is no longer a theory. It is an established fact. It may be modified; it may be changed; but I am convinced that as surely as the sun rises in the heavens this Nation will never revert to a condition or sanction a system of government which permitted 2 percent of our population to hold 80 percent of our wealth.

It is fitting and proper as this session draws to a close that we review the accomplishments of the Seventy-third Congress and its major activities during the little more than a year that the administration of President Franklin D. Roosevelt has been in power.

At the extraordinary session of the Seventy-third Congress the machinery for the new deal was set up. In reviewing the accomplishments of that short session at its close on June 16 last year, I took occasion to point out the deplorable conditions which faced this Nation at the time the President was inaugurated and Congress was called into extra session, and stated:

It was manifest that a return to prosperity could not be brought about by the old methods—a new deal was necessary, and the President so declared in his preelection campaign. When Mr. Roosevelt was inaugurated President on March 4 a bank holiday had been declared in many States of the Union. In fact, nearly every bank had either closed its doors or was on the verge of doing so. Business and industry were at their lowest ebb since the beginning of the economic depression. Agriculture was in the depths of despair. Millions of idle men and women were walking the streets in increasing numbers looking for jobs. The people had lost confidence in the ability of their Government to bring about a recovery. Economic chaos threatened the country to a more alarming extent than in the darkest days of the preceding years. \* \* \* Never in the peace-time history of the American Republic did the Nation face a situation so grave, and I doubt if it is any exaggeration to say that not even in any war emergency which we as a people have ever faced was there a time when the peril to our institutions and to our well-being

was as great. More than 10,000,000 of men and women were, through no fault of their own, out of employment, and no work was to be found anywhere. Industry was paralyzed, credit was destroyed, agriculture was at the very brink of bankruptcy, and millions of citizens, on the farms, in the villages and towns, and in the cities, were threatened with the loss of everything they had saved through a lifetime of toil and struggle. \* \* \* This was the situation when President Roosevelt assumed the guidance of our national destiny at noon on that fateful 4th day of March. A Nation, indeed the whole world, stood by to listen to his inaugural address, to hear what of comfort or of hope he could hold out to a stricken people in their hour of peril.

I shall not at this time undertake to recapitulate the achievements which I enumerated then but, I think it not inappropriate to list some of the outstanding problems dealt with at that session: Government economy, balancing the budget, reduction of tariffs by negotiation, unemployment relief and reemployment, farm and mortgage relief, water-power development in the public interest, securities control, correction of banking weaknesses, repeal of prohibition and modification of the Volstead Act.

That the ship of state, under the skillful guidance of President Roosevelt has veered away from the shoals of rugged individualism which threatened its existence is susceptible of ample proof. Someone has said that you fall into a depression but you have to climb out. We are doing that. Business generally is on the up-grade. All lines of trade and industry have felt the stimulus and are responding to new hope which has supplanted the feeling of despair. Farm income has increased 39 percent during the last year.

We are climbing out of the depression and, while we have not yet reached the goal, it is in sight. More than that, under the wise and beneficent direction of President Roosevelt, this administration is laying the foundation for a well-ordered governmental system, which, if followed, will make impossible recurrent panics such as that through which the world is now passing. Our forefathers recognized, when they drafted the Constitution and adopted the Bill of Rights, that changing conditions of life must be met and solved by each new generation. They were not afraid to adopt new theories and policies far more revolutionary in their day than anything we have before us now, and I am proud that this administration and this Congress has the same sort of courage as that with which they were endowed.

"But", say the partisan critics—advocates of rugged individualism and the raw deal—"all this is going to cost a lot of money." They profess to fear national bankruptcy and undertake to conjure up all sorts of ghosts with which to frighten the people. Of course it is going to cost money. Not a tenth as much, perhaps, as the value of the public domain and the natural resources improperly diverted into private hands through their misguided policy of letting well enough alone. Still, it will be a sizable amount even in this day of vast expenditure. But, thank Heaven, we can provide it. During the approaching campaign this plaint will be heard repeatedly from men who have no program of their own and nothing to offer but criticism.

In reply let me point out that many of these new agencies which have been set up by President Roosevelt with our approval are either self-sustaining or self-liquidating. The Reconstruction Finance Corporation has advanced millions of dollars to industries gasping for credit, but, in every instance, it has been a loan made on securities of unquestioned value, and this money will be repaid. In fact, it is now being repaid with interest, as monthly reports to this Congress will show. The same is true of advances made through the Home Owners' Loan Corporation and Federal Land Banks. Even in the days of laissez faire, to which some of these gentlemen profess to think we should return, there were no sounder financial institutions than the properly operated building-and-loan associations, and there is no better security today nor sounder guaranty of peace and prosperity than home ownership. Those loans, too, will be repaid. "But", they say, "the Agricultural Adjustment Administration is paying out millions to farmers for curtailing production of wheat, cotton, corn, and tobacco." That is true, but they do not mention the processing taxes

provided to supply these funds and make these expenditures almost entirely self-liquidating.

Now as for other agencies forming part of the new deal, such as the Emergency Conservation Works, the Civil Works Administration—which made good the pledge that no man willing to work should go hungry—this administration has a source of revenue not hitherto available. It should be borne in mind that the increased Federal revenues to be derived from excise taxes on the legalized sale of liquor are estimated at close to \$620,000,000 per year. If this entire sum were devoted to financing the recovery program of President Roosevelt it would be sufficient to amortize approximately a 10-billion-dollar bond issue, or far more than the critics of the administration themselves say it will cost. To what better cause could this money be devoted than to the relief of distressed citizens?

Then, too, while we are on this subject of governmental expenditures it should be borne in mind that the normal annual income of our 125,000,000 people is approximately \$90,000,000,000. During the depression it dropped to about \$37,000,000,000, or considerably less than one-half. If we can restore that normal annual income, which we can and are doing, there will be no hardship imposed in paying any slightly higher taxes which may become necessary through expenditure of money for reemployment and relief of distress.

#### RECIPROCAL TARIFF ACT

But I want to speak of some of the outstanding accomplishments of this Congress. Among those in the first rank I would put the Reciprocal Tariff Act. With authority to enter into reciprocal trade agreements with other nations, I believe President Roosevelt will be enabled to revive our foreign trade, which, during little more than a decade, has dropped from between three and four billion dollars to a handful of millions. I am happy to say that our foreign trade has been increasing for nearly a year, and when these treaties, are negotiated it will expand more rapidly and we will find increasing markets for our surplus products.

It seems to me quite fitting that the United States should take the lead in this attempt to restore world-trade conditions, for it was our country, during the period when the Republican Party controlled its destinies, which first erected a high-tariff wall and established a policy of industrial isolation. No heed was paid to the warnings of the Democratic Party leaders by the men who framed the Fordney-McCumber or the Hawley-Smoot tariff laws. Intent only on building our already high tariff walls even higher, they made it impossible for other nations to trade with us and in retaliation those nations in turn set up their own tariff barriers until today, save in a few commodities, world trade has almost vanished from the seas.

And there should be no fear that this power will be unjustly used. I think we can safely say that no trade agreement will be entered into with a foreign nation which does not give full and adequate protection to any industry in this country which actually needs it and is otherwise worthy.

#### SECURITIES EXCHANGE ACT

Another outstanding achievement of the Congress at this session is the stock-market control law. To the unrestrained orgy of speculation culminating in the collapse of October 1929 may be attributed much of the suffering and misery through which the people of this Nation have since passed. In its wake came a procession of failures in finance and industry, ruined lives, lost homes and farms, constriction of all avenues of credit, and almost complete deflation of the Nation. It imposes a system of Federal regulation on all stock and bond exchanges in the interest of the investing public.

#### THE GOLD RESERVE ACT

Under this act the monetary gold in Government vaults has practically doubled in value, adding more than \$2,000,000,000 to our Treasury reserve. With the power given the President to revalue the dollar, favorable exchange balances with other countries will be maintained and, as a

result, our exports will continue to increase. American interests will be protected abroad and ultimately this large accumulation of profits will be employed in reducing our national indebtedness.

#### SILVER PURCHASE ACT

The Silver Purchase Act declared it to be the policy of the United States Government that the proportion of silver to gold in the monetary stocks should be increased with the ultimate objective of maintaining one-fourth of the value of such stocks in silver. It gives to silver a better place in our monetary system.

#### THE LABOR DISPUTES ACT

This act authorizes the President to appoint boards to investigate facts and issues arising in controversies between employers and employees. These boards are authorized to conduct elections by secret ballot of employees in various industries to determine who shall represent them in collective bargaining over wage scales and working conditions.

#### RAILROAD RETIREMENTS

Congress also passed the Railroad Retirement Act which, by establishing a uniform retirement system for railroad employees, is designed to promote efficiency in service and safety for the public in interstate transportation. It makes possible the more rapid advancement of employees and guarantees security to the aged worker. This retirement fund is created through the joint contribution of employers and employees.

The Railroad Labor Disputes Act, passed in the closing days of the session, sets up the machinery to settle disputes between employers and employees, and is intended to prevent interference with transportation.

#### FARM LEGISLATION

Included in the important legislation passed at this session for the benefit of the farmers was the bill authorizing payment for certain basic major agricultural products, later amended to include cattle and sugar beets. These payments are to be made from processing taxes levied, and are intended to reduce surpluses and result in better prices for the farmer. It is an emergency measure and demonstrates conclusively the determination of the President and his administration that the farmers of this Nation shall have a square deal in the new deal.

Congress also placed the full force of Government credit back of the Federal land bank bonds in order to insure lower interest rates for the farmer, and increase his opportunity to obtain necessary credit.

It created the Federal Farm Mortgage Corporation, with a capital of \$200,000,000, to aid in the refinancing of farm debts.

It authorized the Governor of the Farm Credit Administration to make loans to farmers during 1934 for crop production and harvesting and provided a fund to make loans for feed and livestock in drought- and storm-stricken areas. The sum of \$40,000,000 was provided to carry out the purposes of this act.

The Jones-Costigan Sugar, the Bankhead Cotton Control, and the Kerr Tobacco Control Acts were passed at the urgent demands of the producers themselves, to enable them to stabilize their markets against undue and excessive fluctuations and to balance production and consumption more effectively.

#### SECURITY OF THE HOME

The first instinct of primeval man was the establishment of a home and to provide for its security. Contented and happy home owners are essential to a nation's survival. The haunting fear of the auctioneer's hammer has undermined that sense of security which American home owners formerly enjoyed. The President and Congress afforded the Nation a new hope for peace and contentment in the passage of the Home Owners Loan Act at the first session, and it was broadened and made more effective at the present session by the passage of an act placing the full force of Government credit back of the Home Owners Loan bonds, thus insuring their ready market and a reduction of the interest to be paid by the home owners.

We passed the National Housing Act which provides a comprehensive plan of home financing and mortgage insurance. It further provides that financial institutions making loans for financing alterations, repairs, and improvements upon real property are to be insured up to 20 percent of the total of such loans. It establishes a program of mutual mortgage insurance and authorizes the establishment of mutual mortgage associations with authority to purchase and sell first mortgages and borrow money for that purpose through the issuance of securities. It seeks to make available private capital for much-needed housing improvements throughout the country, will put new life into the building trades of the country, provide employment for labor, and give a very necessary impetus to the business of every related industry.

#### AID TO INDUSTRY

During the final days of the session Congress enacted necessary and vital legislation which provided for direct loans to private industry from the Reconstruction Finance Corporation and also made available additional credit through the Federal Reserve Bank System.

#### REVENUE ACT

Under the act passed May 10, 1934, it is estimated that \$167,000,000 additional revenue will be derived during the fiscal year 1935 and \$417,000,000 during the full year's operation from increased taxes on capital stock, estates, gifts, income, capital gains and losses, and other miscellaneous items. It shifts some of the burdens from the small income-tax payers to those whose incomes are derived from unearned sources. It has plugged up many of the loopholes through which the beneficiaries of large incomes had evaded taxation under previous laws.

#### APPROPRIATIONS AND EXPENDITURES

Critics have declared for political purposes that Congress has appropriated a greater amount than was ever heretofore appropriated in peace time. In all fairness these appropriations should be divided into three classes:

First. The ordinary or current appropriations of the Government, and it may be said to the credit of the administration and the Congress that the regular appropriations for the next fiscal year are \$1,000,000,000 less than was appropriated for the last full fiscal year under Mr. Hoover's administration.

Second. Those appropriations which have been made for providing loans to agriculture and industry and which are self-liquidating. They were made necessary by chaotic conditions resulting from the depression which began in the fall of 1929, shortly after President Hoover was inaugurated. These loans are made upon good security, yield a low rate of interest for carrying charges, and eventually will be repaid.

Third. Appropriations which were necessary to relieve unemployment and human distress and for which this administration cannot be held responsible. It is the plain duty of the Government to provide for those who through no fault of their own are unable to provide for themselves and no taxpayer will complain because of these expenditures. This duty to humanity prompted the President to recommend and the Congress to provide appropriations necessary to care for the great drought-stricken area in the West.

We have provided funds for the continuance of the Reconstruction Finance Corporation, Public Works Administration, the Federal Emergency Relief Administration, and other relief agencies for the current as well as the next fiscal year.

In addition to the measures heretofore mentioned, we have enacted legislation continuing the bank guarantee so as to protect the average depositor and insure the solvency of banks. It is significant that despite doleful predictions not a single bank has failed since this law was passed a year ago. We have amended the judicial code, enlarging the authority of the Federal Government in its determination to wipe out racketeering and kidnapers, as well as other interstate criminal activities. We have passed a law barring defaulting nations from the money marts of this country;

and we have once more made good our international pledge when we again tendered the Philippines their independence. We have passed an air mail bill correcting the shameless practices of the previous administration and saving the Nation several millions of dollars. We have passed the corporate and municipal bankruptcy acts under which corporations and municipalities may, under certain conditions, readjust their finances. We have passed the Naval Construction Act authorizing the Navy up to the full limit of the London Treaty. We have passed the Communications Act, setting up a special commission for Federal regulation of the telephone, telegraph, and radio.

Congress passed the Rankin bill granting pensions to widows and orphans of World War veterans who had direct service-connected disabilities of 30 percent or more but who died from other causes. It also made more liberal provisions for veterans of the Spanish-American and World Wars.

There are many other legislative acts which could be enumerated if time permitted. In fact, it may be said that the session of Congress now closing was even more important and enacted more vital measures than the previous session of the Seventy-third Congress which up to its time was the most important and enacted more far-reaching legislation than had been enacted by a session of any peace-time Congress.

All these things and more we have done so that the average man—the one who all too often has been forgotten—might find a greater measure of prosperity, peace, and better living for himself and his posterity.

Before we separate I wish to take this occasion to thank the Democrats of the House for the honor conferred on me in making me your majority leader and for the courtesies, consideration, and generous support I have received at your hands. I also wish to thank the minority leader, Congressman SNELL, and his associates on the other side of the chamber. Despite the trying conditions and the opportunity afforded for great divergence in opinion, the deliberations of the House have been conducted on a high plane. The best evidence that the business of Congress has been carried forward in an orderly and effective manner is shown in the vast amount of legislation enacted.

We will leave soon for our homes and in a few short months will submit our records to the scrutiny of the voters in our respective districts. Our destinies as well as those of the Nation are in their hands and I for one await their verdict in November with confidence.

#### ACCOMPLISHMENTS OF SEVENTY-THIRD CONGRESS AND THE NEW DEAL

Mr. MEAD. Mr. Speaker, a general review of the accomplishments of the Seventy-third Congress shows a splendid coordinated effort on the part of Congress and President Roosevelt to lead this country back to a normal, healthy, and lasting prosperity. The entire legislative program, although vast and varied in its nature, demonstrates a successful attempt to balance economic inequalities and differences between the American producer and consumer.

Something like a war spirit has characterized the aggressive manner in which this administration has tackled the task of creating reemployment and instilling confidence and optimism in the hearts and minds of the people.

The Members of the Seventy-third Congress have experienced a greater measure of responsibility as they have felt the eyes of the Nation focused upon them. Both worker and industrialist have looked expectantly to the Federal Government for assistance. During the early months of the administration, politics took a back seat, and every lawmaker found himself overwhelmed with a busy legislative program. An alert constituency gave him no rest day or night in their eager demands for immediate action.

The Seventy-third Congress established a record for economic progress which stands unequalled by any other Congress in American history. It is true that the progress accomplished required a vast expenditure of public funds, but the saving of a nation warrants the action taken.

When President Roosevelt was inaugurated, we were on the verge of a national calamity; banks were closing, food strikes and riots were taking place, mob violence had already occurred in several sections of the Nation, and the army of unemployed had reached close to 15,000,000. Unless prompt and effective action was taken, the situation could not have been saved, and more radical and drastic steps would have become necessary. The President's inaugural speech, coupled with his courage, his leadership, and his demand for quick action saved the day and the country as well from a most serious situation.

Following his inauguration, President Roosevelt sprang into action, and the following day, March 5, 1933, declared a Nation-wide banking holiday. It was a bold, courageous move, which undoubtedly averted a severe banking and financial panic. He immediately called the Congress into extraordinary session, and asked that rapid steps be taken and funds provided for the carrying out of the promised new deal and the national recovery program. On March 13 the great majority of banks reopened, and normal trading and exchange was resumed.

The new Congress, overwhelmingly Democratic and strongly in sympathy with the President's wishes, worked feverishly during the special session to provide the necessary legislation to speed the recovery program on its way.

One of the Democratic campaign pledges was realized when, on March 22, 1933, Congress passed the beer bill, which permitted beverages of 3.2 percent, and paved the way for added Federal revenue.

During the 4 months of the special session came a rapid succession of relief and economic recovery measures. Greatest in importance was the establishment of the National Industrial Recovery Administration, first of the Roosevelt reforms. The N.R.A. was a purposeful effort by the Government to regulate private business. The administration was authorized to advise and approve codes of fair competition between industries. It outlawed cutthroat competition and afforded a new protection to American labor and American consumers. The same act likewise appropriated funds for a huge public-building program. This was followed by a \$500,000,000 appropriation for direct human relief and the Farm Credit Act to provide for farm refinancing. The former Home Loan Board was expanded under the Home Owners' Loan Act. Both the farm-loan and home-loan systems have been effective in relieving tax and mortgage difficulties among the Nation's small property owners. Permitting long-term financing at a reasonable interest rate, these measures have been among the foremost in combating the depression.

One of the President's dreams materialized with the passing of the reforestation bill, which authorized a conservation program to be executed by the Civilian Conservation Corps. The C.C.C. has put thousands of unemployed youths to work and is proving a unique and successful experiment, serving a threefold purpose; it has created employment for those enrolled; it requires the recruit to send back to his needy parents a substantial portion of his wages; and it is resulting in a constructive upbuilding of our national parks, forests, and roads. Work of this nature enriches the Nation now and pays big dividends to future generations.

In line with this policy of reconstruction and self-betterment came the passage of the Subsistence Homestead Act. This experiment provides a new principle in national planning. In force now a little over a year, it has gone far in aiding the stranded unemployed populations in our large industrial centers. It authorizes the Government to purchase and allot homesteads to the jobless industrial groups. It permits an opportunity for self-preservation by supplying small garden plots. The produce from these gardens supplements the small earnings of the families. It is developing a strong back-to-the-soil movement and may be the solution to one of America's gravest social problems.

The long-vexing question of what to do with Muscle Shoals was terminated with the prompt enactment of a bill setting up the Tennessee Valley Authority, which, in addi-

tion to utilizing the power at Muscle Shoals, provided for a development of the entire Tennessee Valley.

Completing the required governmental set-up for a stimulation of business and employment, and embodying in the legislation a number of important social reforms, the first session of the Seventy-third Congress adjourned on June 16, 1933.

The summer and fall were mainly punctuated by three important events. On November 8, 1933, President Roosevelt announced his plans for the Civil Works Administration. The C.W.A. was a temporary relief program to provide hungry, jobless men with employment during the hard, cold winter months. It produced an immediate wholesome effect, by offering work to men in every walk of life. It was a necessary expedient to maintain confidence until the slower-working but more permanent recovery plans attained results.

On November 17 the United States officially recognized Soviet Russia, and diplomatic relations were resumed for the first time since the birth of the government.

Ratification of the twenty-first amendment to the Constitution was completed on December 5, when the last of the necessary two-thirds of the States of the Union declared in favor of the repeal of the eighteenth amendment. Repeal of the dry law spelled the doom of bootlegging and racketeering and added a new stimulation to business recovery as the breweries and distilleries hummed again with activity and increased employment.

Congress reconvened on January 3, 1934, to begin the long session of the Seventy-third Congress.

The first half of this session was devoted almost entirely to the debate and passage of necessary departmental appropriation bills. Most outstanding was the Independent Offices Appropriation Act, which restored 10 percent of the Federal pay cut included in the Economy Act of the previous year, and liberalized regulations governing veterans' pensions.

A measure authorizing immediate payment of the bonus of World War veterans also passed the House, but was defeated in the Senate.

In February Congress allotted \$950,000,000 for human relief, to be principally handled by the Federal Emergency Relief Administration.

An \$850,000,000 fund was provided to perpetuate the Reconstruction Finance Corporation and expand its power to loan to industry. Further aid was provided for small industries by a measure passed at the close of the session, which specifically benefits struggling small business concerns.

Congress this session passed a monetary measure which struck a medium between the reactionary conservatives and the radical inflationists. The Gold Reserve Act authorized the President to devalue the gold dollar at 59.06 percent. The object of the act was to restore confidence in our monetary system. It has resulted in a heavy return of capital to the United States.

On February 9 the administration announced the cancellation of the air-mail contracts, basing their action on charges of fraud and collusion on the part of the contractors in the past. This led to the passage of the emergency air mail bill which authorized the Army Air Corps to supply the Nation's Air Mail Service. The annulment of the air-mail contracts aroused heated partisan controversy throughout the session and a careful investigation by House and Senate committees. The investigations were climaxed late in the session by the adoption of a bill restoring the air service to private companies and creating a Presidential commission to study the entire aviation problem. An expanded Air Mail Service, including 19 additional cities and 4 additional States, at a saving of approximately \$8,000,000, has resulted from this action.

The Wagner Labor Disputes Act, setting up a board of adjustment to supplement the Board of Mediation, failed to pass and was replaced by a milder measure calling for a study of labor conditions and a report back to Congress next session.

After a colorful and intensive survey of stock-market exchange practices Congress adopted the Securities Exchange Act in spite of strong objections by powerful interests. It checks wild speculation on the exchanges and must be included as one of the administration's outstanding achievements.

A retirement act for railroad employees was approved in the closing days of the session. This humanitarian measure will permit the aging worker to retire and will provide employment for the more vigorous young employee who heretofore has been denied work.

With the new deal agencies operating smoothly, Congress has adjourned, but every Member will watch closely during the coming months and observe the results of his handiwork.

TARIFF AND THE NEW DEAL

Mr. DOUGHTON. Mr. Speaker, despite the protests and warnings of many of our domestic industries and more than 1,000 of America's leading economists, the Hawley-Smoot-Grundy tariff bill was enacted into law in June 1930 after having been before the Congress for more than 17 months.

At that time the Republican proponents of that measure predicted and promised it would bring added prosperity to American agriculture, industry, and labor.

Three years later, however, when President Roosevelt and a Democratic Congress came into control of the executive and legislative branches of the Government, we found our country on the brink of absolute economic ruin; millions of our citizens vainly seeking employment to provide the barest necessities of life; banks closing daily, impounding the life savings of many of our people. Starvation, destitution, and fear in the minds of our people, coupled with the utter lack of leadership of those then in control of the Government, had increased and accentuated the unparalleled conditions of distress. Farmers were being forced to dispose of their crops at ruinous prices far below the cost of production, and millions of homes were being lost through foreclosures.

Such was the condition and picture of despair constantly in the thoughts of the American people. Such was the condition existing after 12 years of Republican high protective tariffs, which we were told would bring added prosperity, two cars in every garage, and a chicken in every pot.

Immediately following the inauguration of President Roosevelt the Congress placed in his hands broad discretionary powers affecting the internal and domestic business affairs of the country, and under his leadership and the exercise of those powers we have again placed our banking institutions upon a sound and substantial foundation. During the period from January 1, 1933, to March 4, 1933, there had been a total of 462 National and State bank failures. For the same period in 1934 not a single National or State bank operating under the Bank Deposit Guaranty Act has suspended operations, and during this same period deposits in national banks alone increased \$1,200,000,000. We have also seen the price of agricultural products steadily increase. Likewise, we have seen our industries resume the production of those commodities which our people and the peoples of the world demand. The purchasing power of our people has steadily increased. In other words, we have seen hope and confidence displace gloom and despair.

OUR DIMINISHING FOREIGN TRADE

Between 1929 and 1932 world trade declined 60 percent, while that of the United States declined 70 percent. In other words, in 1929 the total exports of the United States were \$5,241,000,000, whereas in 1932 they declined to \$1,611,000,000. The exports of the rest of the world in 1929 were \$27,794,000,000, in 1932 they were \$11,115,000,000.

This shrinkage in our foreign trade has been responsible to a large extent for our unemployment situation and the continuance of the depression and can be attributed to the passage of the Hawley-Smoot-Grundy Tariff Act. Immediately following the passage of this act, practically every other commercial country in the world either increased its tariffs or erected other import restrictions in retaliation against the United States. In addition, practically all the

other commercial countries have placed in the hands of their executives broad powers to enter into reciprocal-trade agreements, and to change promptly their tariffs to meet the ever-changing business and economic conditions. Many trade agreements have been entered into between other countries which have resulted in inestimable damage to American agriculture, industry, and labor, which depend upon our foreign markets for the disposition of their surplus production. In normal times 7,000,000 of our people are directly dependent upon foreign trade for their livelihood.

NECESSITY FOR FOREIGN MARKETS

The necessity for expanding our foreign markets if we are to bring about any measure of permanent recovery should be apparent to everyone. In normal times we export from 55 to 60 percent of our cotton, 40 percent of our tobacco, 30 percent of our lard, 18 to 20 percent of our wheat, and many other agricultural commodities. We export 40 percent of our typewriters, 29 percent of our printing machinery, 28 percent of our sewing machines, 23 percent of our agricultural machinery, 20 percent of our locomotives, 14 percent of our automobiles, engines, and parts, as well as many other industrial products.

In 1932 the total exports of the United States were the lowest since 1905. The following table shows how serious has been the decline in our foreign trade:

Exports of:	Lowest since
Cotton (except for year 1931).....	1903
Cotton manufactures.....	1911
Meat products.....	1870
Animal fats and oils.....	1889
Wheat and wheat flour.....	1905
Oil cake and meal.....	1918
Tobacco, unmanufactured.....	1917
Rubber manufactures.....	1914
Iron and steel mill products.....	1903
Copper and manufactures.....	1895
Machinery of all classes.....	1910
Automobiles, engines and parts.....	1915
Leather.....	1894
Sawmill products.....	1890
Other wood manufactures.....	1893

President Roosevelt, desirous of doing everything possible to bring about a real and permanent recovery, and knowing the vital importance of foreign markets, asked that he be given powers similar to those possessed by the executives of practically every other country in order that the United States might be in position to compete successfully in the negotiation of reciprocal-trade agreements and regain such markets for our surplus products. The granting of such powers to the President and the negotiation of such agreements is the only practical and feasible method for assisting those dependent upon foreign markets. Unless we expand such markets, we will be compelled to remove approximately 50,000,000 acres of farm lands from cultivation and permanently close down many of our industries, or at least greatly curtail their production.

There is nothing radical or particularly new in reciprocity. President McKinley advocated it in his last utterance when he said:

The period of exclusiveness is past. Commercial wars are unprofitable; reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not.

The policy of reciprocity dates as far back as 1794, and there have been many instances in which similar and even broader powers have been delegated to the President. Numerous acts have been enacted, and as a matter of fact, sections 337 and 338 of the Hawley-Smoot-Grundy Tariff Act contains provisions delegating powers to the President equally as broad as those President Roosevelt sought. Under these prior acts many proclamations were issued by Presidents Adams, Jackson, Polk, Fillmore, Buchanan, Lincoln, Johnson, Grant, and Hayes. However, the Republicans in Congress, in the hope of securing some partisan advantage, endeavored to implant fear in the minds of our people by asserting that the enactment of the measure and the placing of such powers in the hands of the President meant the destruction of many industries in the United States. Such

assertions deserve, and, in my opinion, will receive, the rebuke of the American people as a gross insult and reflection upon the high patriotic motives of the President, who in his message to the Congress stated:

\* \* \* You and I know, too, that it is important that the country possess within its borders a necessary diversity and balance to maintain a rounded national life, that it must sustain activities vital to national defense, and that such interests cannot be sacrificed for passing advantage. \* \* \* I would emphasize that quick results are not to be expected. The successful building up of trade without injury to American producers depends upon a cautious and gradual evolution of plans.

The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important interest will be seriously disturbed. The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit and not to injure such interests. In a time of difficulty and unemployment such as this, the highest consideration of the position of the different branches of American production is required.

Senator HARRISON, of Mississippi, in a recent address over the radio, correctly portrayed the position of the Republicans in Congress and their attitude toward the new deal in tariff legislation, when he stated:

As is quite well understood by everyone, partisans all too often play politics in an election year with important administration proposals. A party candidate must have some issues, some platform on which to run; and if he is not big enough to be constructive, then he may well be destructive. If he cannot praise, he presumes to condemn; if he cannot build, connives to tear down; if he lacks a message of hope, he delivers one of fear; if he cannot advocate a program of national and international cooperation, he seeks to promote national and international discord, distrust, and hostility.

Notwithstanding this partisan opposition the reciprocal trade policy has been adopted. It is only one of the many constructive moves of this administration to bring about national recovery.

It is deserving of, and I am confident will receive, the cooperation of every interest and industry in this country and that its successful operation will prove of inestimable benefit to American agriculture, industry, and labor.

AN EXPLANATION OF THE TRAIN-LIMIT BILL AND THE 6-HOUR DAY BILL FOR RAILROAD EMPLOYEES

Mr. MEAD. Mr. Speaker, this bill makes it unlawful for a train of any type to operate with more than 70 cars.

Trains now may carry as many as 200 cars, each car on the average measuring about 40 feet. This means a train over a mile and a half long.

This measure is advocated by the railroad employees and labor organizations, who feel that shorter and more numerous trains would increase employment. It is also generally held that the main hope of the railroads lies in speedy, efficient service. Faster trains are essential.

The carriers argue that long trains can be operated more economically. The advocates of this legislation, however, believe that the carriers would gain enough additional revenue through quicker, better service to more than compensate for the slight increase in operation costs.

The various hazards of long trains have also been brought out. There is approximately 15 inches of slack between each car on a train. In 100 cars that would total 125 feet. This means that 125 feet of slack must be taken up each time a train of 100 cars comes to a dead stop. The resultant shock is damaging to the whole train mechanism. It also constitutes a physical menace to the men employed on the train. Special railings have been built in cabooses for the men to cling to when a long freight train comes to a stop.

Communities throughout the Nation favor this bill. Trains over a mile long often block several crossings when they are forced to stop, and even as they move slowly along. In any case their necessarily slow rate of speed and extremely long length is a highway nuisance. Motorists and chambers of commerce everywhere hold a grudge against long, slow trains.

This is an age of speed and efficiency. The railroads must keep pace with the times or they are doomed. The new train "Zephyr" running between two western cities is built for speed and so constructed that no additional cars can

be attached. This particular company in seeking speed, service, and comfort has realized that a limited length is an essential for progress in this direction. Each day the motor service is taking away business from the railroads. They must meet this growing competition. If the carriers insist on retrogressive policies, it is the Government's duty to dictate in the best interest of public service.

H. R. 7430—A BILL TO ESTABLISH A 6-HOUR DAY FOR EMPLOYEES OF CARRIERS ENGAGED IN INTERSTATE AND FOREIGN COMMERCE, AND FOR OTHER PURPOSES

This bill is to establish a 6-hour day in the railroad industry without reduction in the basic rates. It is practically identical with the measure passed in 1916 paving the way for an 8-hour day. The same arguments are being used in opposition to it.

The primary purpose of the bill is to increase employment without reducing wages. It is a step in harmony with the plans of the present administration. It will better the social and economic conditions of the railroad employee and stimulate permanent economic recovery.

The bill imposes a fine against those carriers who do not comply. It also provides for a Presidential commission to study the benefits of the 6-hour day and to report their findings back to Congress within a year.

A careful calculation of the increase in productivity of labor on the railroads has been made for the years 1915-26. During this period it is shown that the output per man-hour of all employees increased 40.5 percent. This increase in productivity has been due to steady technological improvements. More powerful locomotives, longer freight trains, cars of greater capacity, and added tonnage per car are among the factors that account for this increase. The advance in railroad efficiency, during the past years, was accomplished by steady improvements and new inventions to limit man power. It has resulted in a greater labor productivity on the part of the employees and a resultant dwindling off of the number of workers. The inauguration of the 8-hour day in 1916 came near balancing the problem of productivity and employment at that time. Since 1916 mechanical progress has speeded up productivity at an alarming rate.

The wide gap between consumption and production constitutes one of the fundamental causes for our recent depression. The history of the shorter workday shows us that it is the only solution to this problem. By their increased productivity, railroad workers have suffered mounting unemployment as well as wage cuts. If a 6-hour day was established without a reduction in pay, it would make possible the reemployment of those men who were dropped as a result of their own increased productivity. In addition, they would all be able to maintain the same standard of living they have previously enjoyed under the 8-hour day.

In a report to Congress in December 1932 the Interstate Commerce Commission supported the policy of a 6-hour day for railroad employees. The Commission's survey was impartial and its findings convincing. In its report the Commission estimated that the establishment of a 6-hour day would afford employment to 300,000 to 350,000 in a comparatively normal year like 1930; and employment to 60,000 to 100,000 in a year of abnormal conditions like 1932. The Commission endorses this bill.

When the 8-hour day was instigated in 1916 the carriers declared that it would bankrupt them. However, after its establishment they succeeded easily in readjusting their schedules and the result was vastly beneficial to all concerned.

The N.R.A. and the other emergency units of the present administration is correctly tackling the existing economic troubles by urging shorter hours, higher wages, and increased employment. The railroads do not come under the jurisdiction of the N.R.A. They are under the direct supervision of Congress. The enactment of this bill is necessary to help complete the President's program of economic and social readjustment. The carriers must make their contribution to relieve the present crisis.

## COMMUNISTIC PROPAGANDA IN THE UNITED STATES

Mr. McFADDEN. Mr. Speaker, the recognition of Russia by the United States was consummated by President Roosevelt and M. Litvinoff, alias Finkelstein, representing Russia, at the White House in Washington last November when a joint statement was signed, and Mr. Litvinoff gave President Roosevelt solemn assurance that there would be no further propaganda carried on in this country. This was understood to mean communistic propaganda in praise of the present Russian governmental experiment. With hardly any discussion of the merits or demerits of recognition the United States Senate confirmed the treaty. Only a few days had elapsed when Litvinoff made certain statements in Italy that he made no concessions here.

Russia came to us with a treaty in one hand and what in the other? Russia posed as a pacifistic nation, although she has a military force that by comparison makes France and Germany look like nations of Boy Scouts.

November 21 last when the present new Russian Ambassador to the United States was interviewed he said that no communistic propaganda will emanate from the Soviet Embassy in Washington. He said further:

Communism is not a thing that can be imported to one country by another. It is not a question of foreign relationship but a domestic problem. In any event, I can assure you, gentlemen, there will be no communistic activity on the part of any of our officials in America.

The New York Herald Tribune, under a Moscow, June 9, 1934, date line, states:

The announcement that the Seventh Congress of the Third Communist International will convene here next month calls for the reconstruction of the whole question of world revolution and the relation to it of the comintern, on the one hand, and the Union of Soviet Socialist Republics, on the other, established in Moscow in 1919, with the avowed purpose of overthrowing the existing order in all countries and of organizing a world Federation of Socialist Soviet Republics. \* \* \* Trotsky has established a Fourth Communist International, which, we are told by its proponents, boasts an increasing number of adherents in France, the United States, Holland, and Spain. Stalin, like Molotov, continues as a member of the comintern's executive committee. \* \* \* In any treatment of the future of the Union of Soviet Socialist Republics and the comintern in their relation to the world revolution careful consideration must be given to the increasing diplomatic activity of the Soviet Government throughout the world.

Diplomatic activity, of course, means the new recognition of Russia on the part of the United States.

Russia now is considering entering the League of Nations. In the light of this, what is to be the future of the comintern and what part is the Union of Soviet Socialist Republics to take in the world revolution?

The Russians say that a revolution—

Can develop only as a result of an unstable domestic situation. They say that while the economic situation in the Soviet Union will improve gradually the situation of the workers in the capitalistic countries like the United States will become worse gradually and that eventually the stage for communistic revolutions abroad will be advanced—

And that—

The communistic revolution will come after capitalistic countries have gone through a period of fascism; and they mention Italy as an example.

The corporate state is fascism, and in the United States today a correct interpretation of the new deal, with all of its alphabetical departments, is the introduction of the corporate state, or fascist, form of government.

Russia is quite content because she has worked out these things in her own way. The Soviet authorities are now prepared to watch and wait and to continue their diplomatic activities.

On December 2, 1933, Matthew Woll, vice president of the American Federation of Labor, said:

I am not optimistic as to our relations with the communistic government of Russia. Pleasantries in Washington (having reference to the M. Litvinoff treaty negotiations with President Roosevelt) have not changed the character of the Soviet Government. The pledge given by Maxim Litvinoff (alias Finkelstein) has not divorced the Third Internationale from the Russian Soviet Government. These two and the Communist Party of Russia continue

as the three joint elements of a unified communistic control in which each of the three parties is incapable of independent action not in accord with the program and desires of the others.

Speaking of the treaty agreement, Mr. Woll continued:

This agreement frankly does not assure harmonious relations with revolutionary communism. \* \* \* Communism is communism \* \* \* as long as its philosophy remains, the conflict between communism and democracy must go on. To think of it as stopped by an agreement signed by two men in Washington is to forget all of the lessons we have learned and to overlook all of the facts available.

There is in the Litvinoff agreement no promise to repudiate the communistic philosophy, no promise to repudiate the doctrine that it is a communistic obligation to deceive the rest of the world, no promise to repudiate the Third Internationale, no promise to cease doing any of the things that have made communism the enemy of all the rest of the civilized world. \* \* \* There is even no repudiation of the Moscow order published in America while Litvinoff conferred in Washington (at the White House with President Roosevelt) and which order was published in Moscow on October 23, 1933, by the central office of the Communist Party of the U.S.S.R., 2 days after the publication of the correspondence between President Roosevelt and President Kalinin. Omission of any reference to this Moscow order is all the more remarkable because of the bitter attack made in it upon President Roosevelt and the N.R.A. program. The fact that the American Federation of Labor was likewise attacked may perhaps be of little importance to some. This document was headed "Roosevelt Starvation Program." It was addressed to communistic and revolutionary groups in the United States and was officially approved by the soviet censorship bureau. It contained detailed orders and instructions to oppose President Roosevelt's program, to exploit the wave of discontent, to convert this discontent into a gigantic struggling proletariat, to formulate the plans of a counterrevolutionary organization without delay, and immediately to instigate open revolts, fights, and strikes against the administration's measures.

Do I need to call your attention to the strikes, the labor disputes, fights, and revolts that are now taking place in the United States?

And I quote further from Mr. Woll's statement:

It is clearly evident that, regardless of recognition, regardless of promises given and pledges made, Soviet Russia is as determined as ever to create internal strife within our Nation and to foment world revolution. \* \* \* Do I believe communistic propaganda will cease? Most assuredly, I do not. I am confident there will be plenty of communistic propaganda, ordered to accord with the Moscow pattern. \* \* \* We have opened the door, and something is bound to enter.

Russian propaganda is freely circulating in the United States. There is no governmental interference. Influences quite in sympathy with the overthrow of constitutional government in the United States have seen to it that the Department of Justice is not placed in a position to counteract the activities of the Communists, the world revolutionaries, and those hundreds of organizations in the United States who are working to involve the United States in foreign entanglements which will eventually lead this country into communism and world revolution.

As one specific proof of the activities of the Russian Government I now desire to call your attention to a booklet entitled "Why Communism?" by M. J. Olgin, published by Workers Library, publishers, box 148, station D, 50 East Thirteenth Street, New York City; first printing December 1933, second printing February 1934; first revised edition March 1934. I call your attention to the fact that the first edition of this publication followed within 30 days after the treaty between President Roosevelt and Maxim Litvinoff was entered into, and that the second printing and the first revised edition followed almost immediately thereafter.

I quote from this book, page 44:

We Communists say that there is one way to abolish the capitalistic state, and that is to smash it by force. To make communism possible the workers must take hold of the state machinery of capitalism and destroy it.

On page 45, chapter 5, A Program of Action and Economic Struggle is outlined, after referring to the capitalistic form of government. I quote:

This leads us to the road along which the working class can arrive at the destruction of the capitalistic state—revolutionary struggle. The working class is placed in this capitalistic society in a position where to live it must fight. This fight, to be effective, must be aimed not only at the capitalists but also at the state. And once the fight is effective enough, it must inevitably lead to the smashing up of the state. \* \* \* The fight begins in fac-

tory, mine, and mill. It is first of all a fight for higher wages, for shorter labor hours, for better working conditions. It is a fight for unemployment insurance, for social insurance generally, by which is understood that the state pays a minimum wage to those out of work, to the sick, the injured, and the aged.

The similarity of this with the present-day happenings in the United States is very marked. Are we in the midst of just such a situation as is set forth on pages 45 and 46 of this booklet?

On page 57 the following statement appears:

We live in an atmosphere of imminent war. All national policies are now directed toward the preparation for war. What are these so-called "conservation camps" if not training grounds for the future army to be used in the war? What is this militarization of the schools and colleges if not preparation for war? What are these numerous war games on the water and in the air, on the land and in the sea if not preparations for war? What is this mobilization of the industries of the United States, with administrators ready in every section, with the machinery so timed as to make it possible to put the whole country on a war basis within a few hours? What are these repeated declarations by Cabinet members that the Navy was needed for the purpose of "expanding American commerce"? What is this modernization of the Army, modernization of battleships, and the huge increase in the aerial forces of the United States if not in preparation for war?

Roosevelt's government is a war government. And it is in order to screen these war preparations from the public view for a while that pacifistic phrases are used. Roosevelt talking of world peace! Socialists applauding, trying to make the people believe that Roosevelt is an angel of peace. Reformist union leaders singing in unison with Roosevelt's apostles of peace. A mutual admiration society for laying a smoke screen. Gabriel over the White House. \* \* \* A militaristic propaganda under the slogan, "Stand behind the President", \* \* \* reminds one of war time under Wilson. \* \* \* The administration of the N.R.A. is backed by the war industries and administered by leading war mongers.

Here as elsewhere we Communists remain political realists. We say to the workers, "Words are chaff; they mean nothing; they mean less than nothing; deeds count. The deeds of the Roosevelt government are war deeds."

On page 60 we find the following directions to American employees from the Communist Party:

Workers in ammunition plants, go on strike! Shut down your plants! Prevent governmental strike breakers from resuming work! Railroad men, refuse to handle war materials or to transport troops! Keep guard over your railroad yards and depots lest transportation facilities be used by governmental agents! Marine workers, do not load either men or ammunition! Truck drivers, refuse to assist in war work! Workers of other industries, help the strikers. Farmers, refuse to give your foodstuffs and raw materials to be used for the slaughter!

We Communists do not close our eyes to the fact that this means civil war.

Victory in the civil war spells the doom of the capitalistic state.

Is it not about time our Government takes action to stop this kind of propaganda?

From page 61 I quote:

Congress has ceded its prerogatives of lawmaking to one man, Roosevelt, who is a virtual dictator, acting through a number of boards appointed by him. All this vast economic legislation that has been introduced now is not of congressional origin and has not received congressional approval. In foreign policies Congress has long become nothing but a rubber stamp, while the treaty power is in the hands of the President and his advisers. There was once prevalent in America the theory of the balance of power between the legislative, judicial, and executive branches of the Government. It is no accident that the executive branch has gained ascendancy over the rest. This is in keeping with the interests of Wall Street. It assures quick action. It makes for quiet deals away from the glaring light of publicity. It makes it unnecessary to dicker with numerous legislators who may have to reckon with the moods of their electors, although by and large it has not been difficult for Wall Street to keep Congress in line. It clears the ground for further developments along the road of an open dictatorship.

Here we have the communistic interpretation of the present development under the new deal; a severe arraignment, and no action is taken by the administration.

I quote further from this analysis appearing on page 62:

Wherever capitalistic democracy is displaced by open capitalistic dictatorship for the primary purpose of crushing the revolutionary labor movement that threatens capitalistic rule and for the purpose of fusing the state with big business in order to overcome the crisis of capitalism, there we have fascism. Fascism is brute force against a rising working class which begins to challenge

the capitalistic power. Fascism at the same time attempts to organize industry and commerce on behalf of the owners of wealth.

It is interesting, in connection with the consideration of this paragraph, to compare the present scope and operation of the N.R.A. and its codes in an attempt to organize industry and commerce on behalf of the owners of wealth in the United States. I again quote from page 62 of this booklet:

The iron hand that is used against the workers and poor farmers is aimed to force them to accept lower wages and worsened working conditions in order thus to secure greater profits for the employers. Government regulation of industry and commerce, Government subsidies and aid from the Treasury, i. e., from the taxes squeezed out of the masses of the population, also have the purpose of increasing the profits of the great industrialists and bankers. Fascism is a form of government which reduces the overwhelming majority of the population to abject poverty and degradation so that a few heads of large corporations may prosper.

And from page 63, I quote:

Fascism, however, may assume different forms and may appear in varying degrees. We in the United States witness the growing Fascization of the State. Those attempts to prevent workers from striking; those N.R.A. codes supposed to organize industry and commerce by State regulation; that "partnership" between government and industry and government and labor that has been proclaimed as the policy of the Roosevelt administration; that reign of terror that is sweeping the strike areas of the country—what is it if not the manifestation of fascist tendencies? That dictatorship of one man so eagerly acquiesced in by everybody. \* \* \* We certainly have a fascization of the governmental apparatus.

To say the least, these are interesting observations by Communists on the new deal.

From page 77 I quote:

Armed workers and soldiers and marines seize the principal governmental offices, invade the residences of the President and his Cabinet members, arrest them, declare the old regime abolished, establish their own power, the power of the workers and farmers.

And still our present Government permits this kind of propaganda to freely circulate, clearly advocating overthrow of our Government.

In this textbook you have an example of a directed action issued as propaganda by the Communist Workers, publishers, who, I understand, publish the Communist, the monthly organ of the Communist Party in the United States of America.

I now quote from page 95 of this Communist booklet:

Hand in hand with the Communist Party and under its guidance functions the Young Communist League, the revolutionary organization of the Young Workers and many other organizations.

There is a Communist Party in every country of the world. All of them work for the same end, and all of them adapt their activities to conditions existing in their country.

And from the last page I quote:

The seat of the comintern is Moscow, because this is the capital of the only workers' and peasants' government in the world, and the comintern can meet there freely. As the workers become the rulers of the other countries the comintern will not have to confine its meeting to Moscow alone.

The Communist Party of the U.S.A. is thus part of a world-wide organization which gives it guidance and enhances its fighting power. Under the leadership of the Communist Party, the workers of the U.S.A. will proceed from struggle to struggle, from victory to victory, until, rising in a revolution, they will crush the capitalistic state, establish a Soviet state, abolish the cruel and bloody system of capitalism, and proceed to the upbuilding of socialism.

This is why every worker must join the Communist Party.

Here is a document, only one of many now being freely circulated in the United States, which violates the agreement entered into by the Russian Ambassador, Maxim Litvinoff, and President Franklin D. Roosevelt as evidenced by the treaty which was used as the basis to secure ratification by the United States of the Soviet Russian Government. The author of this book, which is Russian Communist propaganda, is Dr. M. J. Olgin, a Russian born Jew, who has a long history of revolutionary activities in the United States. He has been in the United States since 1915, took a Ph.D. degree at Columbia University. He has been editor of many radical publications in the Soviet Russia and in all Russia



before coming here, and in 1924 was a candidate for the New York State Assembly on the Communist Party ticket.

Students of radicalism know that the present Soviet government in Russia was organized by aliens and usurpers and not representative of the thoughts and ideals of the 150,000,000 citizens of Russia, and that the controlling body OGPU in 1930 in Russia was as follows:

Stalin (Georgian), head of the Soviet political bureau; Micojan (Georgian), agriculture; Monjinsky (Polish), head of the OGPU; Ricoff (Russian), head of committees; Litvinoff (Russian Jew), foreign affairs; Tomsy (Polish Jew), trade union control; Kamenev (Russian Jew), concessions department.

The Soviet Government of Russia, in 1914, was composed of 565 persons, as follows:

Russians.....	32
Poles.....	2
Czechs.....	1
Letts.....	34
Finns.....	3
Armenians.....	10
Georgians.....	3
Hungarians.....	1
Germans.....	10
Jews.....	469
Total.....	565

Note the preponderance of Jews in the Russian Government.

It is significant to note that the recent overthrow of the German Government by the Hitler movement was caused by the preponderance of Jews in the German Government, in the universities, as lawyers, as physicians, as bankers, complete domination of all exchanges, in commerce, in the theater, moving-picture industry, in politics. And now in the present United States Government it is noticed that an increasing number of Jews occupy high positions in all departments. In this connection I quote from an article appearing in the Washington Herald under date of June 2, 1934, as follows:

#### COMMUNIST STATE FORECAST FOR UNITED STATES

NEW YORK, June 2.—Ten thousand persons in Madison Square Garden heard Earl Brodder, general secretary of the Communist Party, declare tonight that the forces that created the Soviet Union "are going to create a Soviet power in Germany and the United States." Brodder spoke at a meeting under the auspices of 100 Jewish organizations to celebrate the conferring of autonomy upon Biro-Bidjan, in eastern Siberia.

I want to remind loyal Americans that it is well to remember the boring-from-within tactics pursued by these aliens and usurpers who pursued tactics in Soviet Russia which caused the downfall of their Government and set up the present Communist-Jewish controlled government which is now in operation in Russia, and to point out that the same kind of aliens and usurpers are now at work in the United States to establish a form of government other than constitutional government, and in order to do this they are seeking to paralyze industry, to destroy patriotism, and, finally, to secure the overthrow of government itself in the United States.

The publishers of this communistic book by Olgin, the Workers' Library, is the official propaganda medium in the United States of the Communist Party of the United States, and is unquestionably subsidized by Moscow along with the International Book Publishing House, as is indicated in the financial report of the executive committee of the Communist International Plenum meeting, September 1932, by an item of \$756,900 under the heading of "Expenditures" as subsidies to party newspapers, publishing houses, and cultural educational work.

There have been many Members of both the House and Senate of the United States who have frequently declared that communism in our country was not dangerous to our form of government and the putting over of it was never intended through a program of force and violence. This pamphlet by Olgin refutes this idea in bold form, because on page 44 of this booklet we find the following language:

We, Communists, say that there is one way to abolish the capitalistic state, and that is to smash it by force.

The last paragraph in this book which I have quoted is a positive declaration at variance with Litvinoff's—Finkelstein's—statement made to the press of the country and supposedly to the President that there is no relation between the Communist Party of the United States of America and the All Union Bolshevik Party of the Union of Soviet Socialist Republics.

Proper Government agencies should immediately investigate this particular piece of propaganda, which is one of the most dangerous that has ever been put out in the United States. The circulation of this propaganda is proof that recognition of Russia was obtained under false pretenses.

#### AIRSHIPS

Mr. HARTER. Mr. Speaker, as a member of the Joint Congressional Committee to Investigate Airship Disasters I attended many hearings and studied a great deal of evidence concerning the value of airships as a means of national defense and as commercial vehicles for use in transoceanic commerce. After due deliberation and study our committee concluded that the merits of airships most assuredly made them worthy of continued support and development in the interests of the national welfare, and we suggested a training and operational program with this end in view.

I am, of course, deeply perturbed that little or nothing has been done toward the carrying out of the constructive program proposed by the joint committee, particularly in view of recent developments which have shown the committee's findings to be sound. The net result has been a loss of at least a year in advancing our airship program, and still more time will be lost unless we act promptly.

Since our committee reported the *Graf Zeppelin* has been continuing her nonchalant transoceanic flights, boosting German prestige and commerce, and, incidentally, furnishing a financial return to her operators. She has been so successful that German and Dutch interests are now combined to establish an airship service from Europe to Batavia, with occasional trips to both North and South America. American capital may be expected to contribute financial backing for this service. If we had been more farsighted, we might be in a position to offer not only capital but a merchant marine of the air as well. The nations which pioneer in the fostering of world-wide air commerce will hold a virtual monopoly on it in the future, and here we sit idly by and watch the creation of a foreign merchant marine of the air, bringing Europe to our very door and, by virtue of the speed and comfort of this new and modern method of travel, encouraging our business men and world travelers to travel on foreign ships, to the further detriment of our own merchant marine.

Recently the public press has criticized our Post Office Department for sending European mail on foreign-flag ships, rather than on some of our own much slower boats. As the system now operates the sender of a letter may specify the ship on which he wants his letter to cross to Europe, and thus has an option to choose one of the faster foreign-flag ships if he so desires. This privilege is a valuable one, and is carefully used by our business houses which fully appreciate the value of the time saved en route.

It is a fact, regrettable but true nevertheless, that our American merchant marine is unable to compete with foreign vessels on terms of speed. We do not own any large, modern, high-speed ocean greyhounds, nor would I advocate that we attempt to enter into the trans-Atlantic steamship race. Such ships are fundamentally uneconomical and require large subsidies for their operation—subsidies which must be charged off against national pride and prestige.

The need for high-speed ocean crossings really applies to a small percentage of the total passenger traffic and to the first-class mails. There is no reason why this class of transoceanic traffic cannot be handled by large rigid airships, and there is every indication that in contrast to the excessive subsidy required by the supersurface liner an airship fleet may be operated as a paying proposition, if reasonable charges are made for passengers, mail, and express.

I am thoroughly convinced that a fleet of merchant airships operating under the American flag will make it possi-

ble for us to regain that maritime prestige which we so successfully held in the days of the clipper ships.

I have so far confined my remarks to the commercial importance of the airship and its potentialities in the field of world commerce, for I feel that these are things which we can all appreciate and fully understand.

The military usage of large rigid airships comes under the direction of the Navy Department, and their merits in this respect can be fully understood only by persons skilled in the arts of military science and tactics. It is easy, however, to visualize the value of an airship as a strategic scout, cruising thousands of miles from its home base, patrolling thousands of miles of ocean per day, and keeping our fleet and shore bases advised of the existence or nonexistence of enemy forces in certain strategic localities. In this connection let me remind you that at the conclusion of the recent maneuvers in the Caribbean the U.S.S. *Macon* left Miami, Fla., and was at her permanent base near San Francisco 48 hours later. This was an effective demonstration of the speed with which these aerial scout cruisers can be brought into action and offers a vivid contrast with the time required to traverse the same distance with a surface scout cruiser. The contrast would be even more striking if we granted the possibility that enemy forces might block the canal, thus bottling our whole surface fleet in the Atlantic.

I mention these things because there has been so much false information on airships given out by people who are poorly informed on all phases of the matter. It is my feeling that we should pay more attention to the opinions of persons who have flown airships and who are qualified to speak from knowledge rather than from pure conjecture. One such person is Commander Wiley, sole surviving officer of the U.S.S. *Akron*, who is soon to become captain of the U.S.S. *Macon*. He is a man who has had experience in airships since the inception of an American airship program; and through all his career and after all his experiences he still is persistent in his faith in the rigid airship. Because I feel that he is well informed and speaks from knowledge gained in the hard school of experience, I believe his paper in the May issue of the United States Naval Institute Proceedings to be of great value, and I ask unanimous consent to have it inserted in the RECORD.

The paper referred to is as follows:

[Reprinted from the United States Naval Institute Proceedings, vol. 60, no. 5, whole no. 375, May 1934]

#### VALUE OF AIRSHIPS

By Lt. Comdr. H. V. Wiley, United States Navy

Among the arrows in the quiver of our national defense the rigid airship seems neglected, largely because of little knowledge of its capabilities. In presenting this article the purpose is to give information concerning airships, and it is the intention to confine the contents to facts so far as humanly possible. It is well known by serious-minded proponents of the dirigible or any other new endeavor that extravagant and imaginary claims of enthusiastic friends do more harm than good and leave so much misinformation and delusion that a careful analysis of the real value of the project cannot be made. It is unfortunate that the general public, and even naval officers, have little reliable knowledge of airships.

Most people have had to depend upon the public press for their ideas and knowledge of these scouts of the air. These press reports are usually written by persons not familiar with the technical aspects of aviation and bring out more of human interest than of knowledge useful to a naval observer. The Zeppelin type is so new and unusual and grips the imagination of the public to such an extent that news of any casualty becomes a front-page story. A few years ago a mistaken order during ground handling of the *Akron* caused damage which cost \$8,000 to repair. This was big news. During the same week on one day three Navy planes, one of which cost \$60,000, were demolished in the neighborhood of Washington and this news took only 2 inches of one column. Thus the public gets its information concerning airships.

So far as real naval tests and problems are concerned, there have been few opportunities for the collection of facts and data on performance, and even for this meager employment the reports unfortunately have been confidential and available to only a few. Of course, there is no reason for publishing it to the world if our Navy has a new weapon of value, but at the same time, unless this information is available to our naval officers, our assets in airships will be unknown, and snap decisions, perhaps of condemnation, will prevail. The higher commands thus would not be familiar with this weapon's potentialities and therefore unable to employ it to advantage and give it a fair trial. If all the facts are taken into consideration, it can be shown that in scouting problems so

far actually worked out the *Zeppelin* has acquitted itself with great credit and shown valuable ability.

One of the first objections to the use of airships is the cry of vulnerability. The airships are comparatively vulnerable, but not to the extent of the seemingly common opinion of the man in the street. Many think that a few machine-gun holes in the gas bag and the machine is done for. They do not realize that there is little pressure even in the top of a gas cell (and none at all at the bottom) and that gas escapes very slowly through a hole, thus allowing time for repairs or return to base. Witness the four large (32 inches in diameter) gas valves in the top of a large gas cell of the *Macon*, and still, with all valves open in all cells, several minutes are required to make a very appreciable change in the lift of the airship. A few years ago a man dropped a file in a propeller and did not report it for fear of punishment. Two days later it was noticed that the cell near the propeller had lost 2 percent of its gas. On examination 19 holes from 1 to 9 inches long were found in it. Many machine-gun holes will not do serious damage to the buoyancy, nor can they do much harm to the structure.

The danger of the present gasoline installation is that of a gasoline fire from incendiary bullets. In spite of the fact that great attention has been given to the installation of fire-extinguishing apparatus, a gasoline fire might be a very serious thing and cause an emergency landing and destruction of the ship. However, a light diesel engine is being developed, and it is hoped that soon a change may be made to the use of heavy oil instead of gasoline, which will reduce this hazard to a great extent.

The delivery of a bombing attack is a different thing. Although the structural members are far apart and one bomb probably would not be serious, several bombs might be compared to a torpedo hit on a cruiser so far as buoyancy and structural damage are concerned. During the World War, Zeppelins returned to base badly shot up and with nearly one-third of the gas cells deflated. Similar to the bombing attack is the encountering of anti-aircraft fire of high-explosive shell. The remedy, of course, is to avoid localities where such may be expected, and the usefulness of the airship is limited thereby—if there exists any usefulness in trying to be in those localities.

Another cry sometimes raised is the vulnerability to weather. This has been almost totally overcome by weather information, greatly improved air-keeping structural qualities, and skill of handling. There are some atmospheric disturbances that tear down trees, wreck buildings, etc. However, the strain on an airship in the air in a storm is comparatively light for it is submerged in the moving medium and, if it had no motion from its engines, would suffer only from the turbulence of the atmosphere. Strains will be set upon the structure if the ship progresses at high speed from one air current to another, but these stresses are well cared for in modern airship design. If the ship is attached to the ground, as is a tree or building, it will suffer the full effect of the wind. To illustrate the difference there is cited the experience of the *Shenandoah* several years ago. While moored to the mast the upper fin covering was exploded (due to lack of ventilation holes) and this threw the ship off wind. An ensuing 75 miles per hour gust broke her away from the mast, tearing out the nose and the forward two gas cells. As soon as she was in the air, the engines were kept at low speed with the ship headed into the wind. All strain on the structure was immediately eased, and in spite of the serious damage, loss of lifting gas, and with half the rudder gone, she was able to return to the landing field when the wind abated.

Ground handling also has been greatly improved by the working out of mechanical means which give greater security in bad weather as well as reduce the required ground crew to not more than threescore men. The knowledge gained by our operations has also led to the proper location of hangars and operating bases, taking into consideration the surrounding terrain, etc., so that at these properly located bases an airship can moor or depart in any given 24-hour period and can show a very high percentage of on-schedule operations. It may have to delay departure at times, just as surface vessels await favorable tides. On the other hand, it may be able to take off in certain conditions of fog, etc., when other aircraft are held on the ground.

The size of target and its visibility are also held as disadvantages, and so they are. It is admitted at once that the *Zeppelin* has no business within range of a surface ship, but ordinarily there is no reason for it to come within range. The airship will remain out of range the same as any ordinary carrier which must remain undamaged to perform its full mission. It can do its work as a scout out of range. In a fog or low visibility it takes the same handicap as a surface vessel, but this does not condemn its usefulness any more than it condemns any other scout cruiser. No warship can be of much use in a fog. Certain types of clouds and visibility are a very great aid to the airship. Clouds afford concealment from which momentary emergence may be made for examination of the locality. In addition, the use of a spy basket or observation car enables the airship to cruise in the clouds and lower an observer with a telephone below the cloud layer. He can report his observation, conn the airship as desired, and even direct the dropping of bombs from the invisible carrier. It is often the case, particularly on the Pacific coast, that high fog or low ceiling practically causes the cessation of airplane flying both from ships and from the shore. In the case of a fleet approaching the land, the admiral wishes to know the concentration of aircraft on the fields in the vicinity and whether or not they are operating. The forces on shore wish information of the approaching fleet. Both are in the dark. This illustration is taken from an actual

circumstance that occurred in maneuvers a few years ago, and perhaps has occurred since. For either side, the airship with its spy basket could obtain the information so urgently desired.

Even if we should assume the airship so vulnerable that the chances of her destruction are more than 50 percent, if she makes an effective contact with an enemy fleet, is she not still worth the investment? In nearly every scouting exercise the scouting vessels suffer losses of a few destroyers and/or cruisers in making or developing contact and gaining information. This is taken as a matter of course and little comment ensues. Such casualties are expected. War cannot be waged without taking risks. Even one destroyer represents more men and more dollars invested than an airship. Would it not be better to sacrifice an airship than a destroyer or cruiser? The chances are that the *Zeppelin* will have forwarded accurate and comprehensive information before she can be driven down.

Another disadvantage sometimes cited is the comparatively low altitudes to which the dirigible is confined. There is no valid reason for this objection. Any experienced airplane pilot will tell you that 90 percent of his scouting is done at altitudes below 1,500 feet. The horizon is 90 miles distant from an altitude of 6,000 feet, but the atmosphere is seldom clear enough to see that far. During the World War airships could ascend above the altitude to which most planes could fly, but such is not the case with modern planes. Since the airship cannot get higher than a fighting plane, it is of no consequence if it can ascend only 10,000 or 15,000 feet, for there is no other reason to gain these altitudes except the seldom encountered circumstance of seeking concealment in very high clouds. Airships can be built for an altitude of 25,000 feet if such is required in their employment. They can climb as fast or faster than the average plane of today, but this loses all advantage if a higher altitude cannot be reached. However, a loaded bomber or patrol plane still can be outclimbed both in rate of climb and altitude.

Criticism of the speed of the airship as compared with the plane is hardly justified. Higher speeds for airships are desirable, and improvements are made progressively in this direction. However, the discrepancy between the speeds of the two aircraft is not so great as to limit the value of the dirigible to a great extent. The speed available is sufficient for nearly all missions in view. Even if speeds of 300 miles per hour were available, an increase over this still would be desirable.

The main use of speed for the airship other than that of scouting over large areas in short time is to escape from airplane attack. For the service plane of today the discrepancy in speed between it and the airship is about 30 knots. If one takes the plane's radius into consideration and the maximum distance the plane desires to go from its carrier, it can be seen that in average visibility the airship can come close enough to obtain visual information and still escape. In addition, other considerations come into play regarding the dispatch of planes to attack an airship. Many times the planes are required to remain in the immediate vicinity of the carrier for protection of that craft from aircraft or other attack. Again, approaching darkness may make the execution of attack on the airship undesirable. The planes may be required for other missions, such as impending action of surface forces, so that it is not desired to have them pulled out of the area.

On days of good visibility the airship can remain well clear of dangerous areas and still give effective information of what is going on in these localities. In a recent problem the air scout was able to take station where it could see both the convoy and main body of an attacking force, which were separated by 100 miles. On this day effective visibility from the airship was 70 miles. In another case the airship made contact reports unobserved from a distance of 55 miles. Remember that the airship has a comfortable crew's nest and higher-power glasses.

At distances at which the airship can identify surface craft she should be seen equally well. However, she is close enough to observe the area and far enough to escape planes launched for pursuit. Taking this into consideration along with other demands upon the planes, it is understood why it may be possible for an airship to maintain observation without being attacked. This has happened in exercises. It is realized that a number of planes will be necessary to overcome the fighting planes and machine guns of the *Zeppelin*, and the enemy commander will have several important premises to consider before he detaches a number of planes to drive off the airship.

The hoped-for performance of airships has not been realized as soon as promised by their supporters. This is true in any line of pioneering and development. All such efforts have their trials and tribulations. The submarine and torpedo have the same history. The airplane has progressed faster because more effort and resources have been expended upon it. The airplane also has been helped by commercial development. Given the same impetus in development of design, new construction, and employment as heavier-than-air, the airship would be far superior to what it is today. Practically all the development of the airship since 1920 has been by our Navy Department. This includes hangars, mechanical ground handling, reduction of ground crews, production of detached operating bases at small cost (stub mast), and design and operation of the craft. Working out problems has been intensely interesting to the personnel involved.

While solutions to some of the problems seemed very slow, a review of accomplishments shows a record of which our Navy can be proud. Delays were disheartening, but advance really has been steady and rapid. We have gained knowledge primarily from ex-

perience, but many other sources have contributed, and we always have gained lessons from casualties.

Their primary mission is long-range scouting. We send cruisers, destroyers, and submarines out long distances to obtain information of the enemy. In most cases airships could get the information much more quickly and without the detachment of so many combatant ships from the fleet concentration. Even if the dirigible were of value only for negative information, it is worth the investment. If it can assure the commander in chief that the enemy is not in a certain area, it allows him to concentrate his surface vessels in the most probable area with the consequent valuable advantage. Information has everything to do with disposition of our own forces. In several of the fleet problems the defending forces have been divided into several small groups and scattered over large areas contiguous to the coast, and no knowledge of the movements of the approaching fleet was available to them. Economical use of surface vessels and demand for information from long-distance scouts point to the necessity for the use of the rigid airship. Fast scouts are in demand and here we have one with speeds somewhat comparable to that of the airplane and of vastly greater radius. In addition the habitability of the airships affords space for complete navigation facilities, communication facilities equal to that of any cruiser, and hence the forwarding of accurate information over long distances immediately after contact is made. The navigation of airships is approximately as accurate as that of surface ships.

Cruising in fog, rain, darkness, low temperature, etc., offers no more disadvantage than the surface craft experiences. In addition, the ability to slow down and even to hover can be used to advantage in certain circumstances.

Many missions besides long-range scouting may be executed under favorable conditions. Tactical scouting can be carried out efficiently when the airship lies back and sends in its planes. During darkness, tactical scouting by any form of aircraft is almost impossible. Reconnaissance, bombing, photographic missions, submarine patrol, offshore patrol, convoy escort, decoy work can all be carried out. If demanded, transportation of officers and troops, and even important supplies, can be undertaken on short notice. Thirty tons of supplies, ammunition, or troops could be transported from San Francisco to Hawaii by the *Macon* within 33 hours. What would six ships do?

So far little has been said concerning the carrying of planes. The uses of airship-based planes compare to those of any other carrier. While the surface carrier is generally well protected by combatant vessels of its own fleet, the airship ordinarily has to operate independently and depend upon its armament and planes for defense. Occasionally it can seek protection of its own fleet as does the surface carrier. The airship mounts heavy machine guns and can give a good account of itself against a small number of planes. Except in unusual circumstances, a large squadron of planes would not be sent to attack an airship.

The use of airplanes from a carrier is much more valuable and continuous than from other ships. The airship carrier even has certain advantages over the surface carrier. It does not have to head into the wind to launch or to recover its planes, as both craft are floating in the same medium and, relative to each other, there is no wind. Planes can be operated from it at night with facility equal to that of daylight operation and without bright lights on the airship.

The use of planes to enlarge the scouting area gives enormous advantage to the airship. With five planes, the outfit at present (and more could be provided on present or future ships), one plane can be stationed continuously on each side of the airship. If the visibility is 40 miles and the planes are 80 miles abeam of the airship, this allows the sweep of an area 240 miles wide at a cruising speed of 60 knots.

Covering 172,000 square miles in a day's work is quite a feat for a vessel costing less in men and money than a destroyer! X cruisers or other surface scouts would be required to do the same! How much is it worth to have X ships concentrated with the fleet and not far away on a scouting line?

Now, it is a mistake to take one example and say that the dirigible is worth X cruisers. Sometimes this is so, and sometimes not. But for some circumstances and for limited periods it might be worth 50 cruisers. The performance of airships may be so far superior to anything else existing we cannot afford to gamble by not having them with the fleet.

If two scout cruisers costing thirty millions and with 1,200 officers and men are sent to scout a certain area or maintain a certain line, they can cover about 0.3 as much as one airship costing three millions. The speed of the surface vessel is such that they can advance the line only a few miles a day. If the area is well out to sea, the airship will have it searched and begin its return before the cruisers arrive. The airship can cover in 3 days what the cruisers do in 10 days. Range in visibility does not always permit this superiority, the airship's area being reduced a greater percentage of its total than that of the cruisers' as visibility decreases. It is not contended that airships can supplant cruisers, and the need for cruisers is as great as ever in our Navy.

One suggested employment of the *Zeppelin* type is to guard a train or convoy and supply information of impending attacks, thus allowing concentration of the screen and protecting force. This might also prevent the detachment of part of the escort to chase suspicious ships. Of course, if the airship station itself directly over the convoy at all times it would mark the convoy's position, but such would not be done. In addition, the enemy does not know whether or not the airship is with the convoy, and

it may be a decoy to lead them away or tempt them to divide forces.

We are notoriously short of modern destroyers and will never have the desired number of fast cruisers which are important at the scene of action and needed for support of destroyer attacks and tactical work. Using airships as scouts allows more use of these surface scouts near the main body, and we need more destroyers and cruisers. Where speed and radius are paramount, nothing takes the place of the airship. It can travel long distances rapidly and give quick, accurate, positive, and up-to-the-minute information immediately. Scouting is important—information is everything! Witness the demands for more cruisers, for more airplanes, and for flight-deck cruisers. Accepting certain objections and weaknesses which are much over-balanced by the demonstrated usefulness, is it not advisable to have airship scouts for what value is now apparent?

If airships promise so much to us, why has Great Britain abandoned her program; Italy confined herself to small semirigid; France and Japan done nothing at all? This may be answered with one word—helium! No other country has this noninflammable gas, and a hydrogen-filled craft has no place where it is liable to be attacked. This knocks out the argument and foreign propaganda of those who hold up the examples of other powers which are making no attempt to develop lighter-than-air craft. Nevertheless, it is noted that those countries do expend considerable money in trying to locate helium resources, and helium is in little demand except for lighter-than-air craft.

England does consider airships of value, but principally on account of economic conditions has abandoned them. However, she has naval bases suitable for cruiser and converted merchant-vessel operation all over the world. She has no intention of scouting an enormous area of desert sea like the Pacific. Another thought that applies to these countries of small area and close proximity to probable enemies is that their home hangars and operating areas are so close to the enemy that they could be the principal targets of the first enemy attacks. Their bases are within a short airplane hop of the powers on the Continent. These countries are not isolated by the large expanse of oceans that surround the United States. In the Pacific an enemy fleet could disappear for a few days or weeks and arrive either at Panama or Puget Sound without being intercepted. Italy and France have no such possible scouting problems confronting them. Italy has no naval problem that requires airships with 8,000- or 9,000-mile radius. Her airplanes can cover her immediate coasts. Japan probably would go ahead with them if she had the helium. The Pacific is too big for us to scout completely with any number of scout cruisers we could build. It has been calculated that 12 rigid could cover continuously any possible fleet approach to our Pacific coast. Thus, we find the airship the only scouting vessel within our means that might cover these vast areas in which a hostile fleet might be proceeding. The location of that fleet would determine the entire strategy of the commander in chief and his disposition of our fleet.

What price information? The fleet may be equal or superior to the enemy, but it cannot be victorious if it must be split into a number of divisions and disposed to protect each possible destination of the enemy. Public sentiment has demanded and would demand such protection of our coasts.

The Navy has assisted and does aid industrial development by its endeavors along certain lines. The development of airship operating and ground handling by our Navy has paved the way for commercial transoceanic airship transportation lines. The *Graf Zeppelin* uses the mooring facilities developed by us on its scheduled trips from Germany and Spain to South America. Economic conditions have delayed the establishment of these commercial lines. If we give further encouragement to them by further progress, we develop an asset of untold value in time of war. A commercial airship can be quickly adapted to naval purposes. We control the helium. We have an airship construction company completely outfitted and ready to work. We could keep it alive and prevent the disbanding of its talent if we ordered two more ships at once. More than one ship in operation is needed to demonstrate their uses and possibilities. Two ships can do more than twice as much as one. Prices for labor and materials are the lowest in history. What dividends we would receive if we provide our Navy with a small airship force and establish a commercial project which affords us aerial cruisers instantly available in case of hostilities! We all realize the need of a merchant marine. Here is a chance to support our knowledge of its value. We must give the airship a fair chance to demonstrate its worth. We cannot, in the present state of the art, expect it to go out under every condition and serve every day without asking favors. It has not been tried properly and is still being developed. We learn by using and doing. The one ship has little opportunity to prove its capabilities.

We now have a complete airship operating and repair base on each coast, in addition to the commercially owned construction dock in Ohio. There are available now servicing bases in Florida, Cuba, southern California, and Panama with the investment already made. Little further investment is needed in bases or other assets. Our urgent need is more ships to operate for training and development. With these assets and this background we should go ahead building at once. No studious naval officer is convinced of the lack of usefulness of this arm to the fleet. The doubters all say, "I'm willing to be convinced by demonstration."

Now is the time to have a demonstration at small cost. The dividends may be very great and give our Navy a tremendous advantage. If we were to embark on a naval war today, we would

order more airships and start feverishly to train crews. We would wish to use every arrow in our quiver, and here is one that flies far and true.

**MONEY; LABOR-HOUR MONETARY SYSTEM—TO STABILIZE AND STANDARDIZE MONEY AND LABOR PRICES—BRIEF OUTLINE OF H.R. 9931**

Mr. SADOWSKI. Mr. Speaker, what is money, and what should it be and do?

Money has always been and is today a commodity. It is the manipulation of that commodity that is the root of all evil.

All panics, depressions, and most famines have been due to commodity money. In fact, the history of the panics is nothing but the history of commodity moneys. We have had panics ever since the commodities gold and silver have been used as commodity moneys. As Thomas Edison said, "It is not gold that makes the dollar; it is the dollar that makes the gold."

Before the panic of 1893 the history of silver money in panics or depressions was the same as the history of gold. In our present depression, generally considered to be from the year 1929 down to date, no one has handled gold as money in trade. There never has been and none is available for the purpose.

The history of the panics of 1819, 1856, and 1873 shows that then, when silver was at a parity with gold as basic money, there was neither gold or silver available to the people, and at times not even a single silver dime in circulation.

Both hid together. When we read in our school histories that "specie payment was resumed" it means that gold and silver again began to be used as money.

In those days when a man went to a barber shop for a shave, then 10 cents, and handed the barber a dollar bill, as the barber had no change to hand back to his customer, he would have to give him a due bill for the 90 cents, and the customer would have to take that to the shoemaker and others with whom he dealt and ask them to accept the barber's money. That is part of the history that it is well for us to recall today, of the times when there was the free and unlimited coinage of both gold and silver that many of my colleagues want back again.

I have heard it predicted that if and when a bill should pass for the unlimited coinage of silver that within 90 days from the time we thus again made silver a commodity money that we would not find anybody with even a quarter for the price of a shave.

When this Seventy-third Congress convened silver was worth as a mineral only 22 cents an ounce. Today it is still worth 22 cents mineral value, but has gone up to 64 cents as speculative or gambling value because of the talk about its remonetization. If we remonetized it at 16 to 1, then 22 cents worth of mineral silver would bring \$1.29. Just the magic touch of remonetization would change an article of 22 cents mineral value to become an article of \$1.29 value overnight—with no labor spent, no wealth added—just \$1.07 worth of legislative inflation, similar to the inflation of an automobile tire with 5 pounds of air in it to 80 pounds from a minute's pressure of the air pump.

Again, if gold were demonetized today throughout the world it would fall in exchange value so that \$1 of present gold money value would become merely 10 cents worth of mineral value. In other words, it would merely be adding 90 cents worth of wind or "blue sky" value called "inflation" to 10 cents worth of gold, to make it into what we call a dollar of 100 cents' value.

A bill has been introduced in this session to monetize four leading farm crops. Had this bill become a law those crops would have doubled in price overnight, just as silver has done. Why? Because those crops would have become basic money. What a blessing that would have been to every farmer, to get twice as much for his crops as now, just because the law made them basic money, and what a harvest it will be to the few silver-mine owners if and when silver is remonetized and their 22 cents of mineral value becomes worth \$1.29 of money and other commodities. Just think what a real benefit it would be to from five to ten million

farmers if the crop monetization bill were to pass and double the price of all they had to sell.

When 10 cents worth of gold is taken and monetized at \$1, as is now the case, think of the benefit that gives the few Wall Street gold-mine owners, and then remember that when 10 cents worth of gold goes up to \$1 as money, how the workers' time and everything the rest of the people make for sale, being on the other end of the teeter board, goes down.

If the Frazier-Lemke bill becomes a law, it will practically monetize real estate and double the value of land overnight and every farm mortgage in America would become as good as gold certificates or Government bonds.

To review: As the monetization of gold makes the few gold-mine owners millionaires at the expense of everybody else, the remonetization of silver would make another somewhat larger circle of mine owners very wealthy overnight at the expense of the rest of us, which, of course, would be a very slight improvement over making only the gold-mine owners the sole beneficiaries of our commodity money system. Just as monetization of farm land would double the price of that land it would correspondingly help every farm-land owner at the expense of the non-farm-land owners, which, of course, would be a great improvement over making only gold- and silver-mine owners the sole beneficiaries of a commodity-money system. And then to monetize farm crops by doubling the price of those crops overnight would be a commodity money system that would help the farmers that much, but still be at the expense of all the rest of the people.

But, Mr. Speaker and fellow Congressmen, I have something to offer you today very much better than the commodity-money articles I have just mentioned, and it is incorporated in bill H.R. 9931 that I have just introduced into Congress to monetize labor. My measure, if made a law, would double the price of both nonfarm labor and the products of the farmer overnight, and would leave not more than a mere 4 percent of the people and those "who toil not neither do they spin" and yet are "arrayed like Solomon in all his glory", with 80 percent of our national wealth now at their command, as the only ones who could claim to have been discomfited by the law. It would be a law that would help the 96 percent of the people who need help.

It would merely, farmerlike, be putting rings in the noses of the hogs that have been both rooting up the whole garden and also getting away with all the swill. Of course, there would be a lot of squealing by the hogs in having the nose-ringing act performed on them, but that would not hurt society as a whole or any part of it.

Mr. Speaker, by this bill I call upon this Congress and the people of America to render unto the "gold-sheviki" of Wall Street their gold and to render unto the laboring masses their rightful inheritance of labor money.

Now, labor money, of course, is acknowledged to be what is called "printing-press" money. All money is printing-press or die-press money, and the vilest kind of printing-press money is the private Federal Reserve bank money. It is the vilest and rankest and the most dishonest money the world has ever known, more so than the wildcat money of 100 years ago.

It is often said—and I have heard it said here on the floor of Congress—that gold and silver are the moneys of the Constitution. This is positively not true. It is paper money that is both the money of the Constitution and the money that made the Constitution, for without the old continentals there would have been no Republic and no Constitution. Without the much banker-abused French assignats the French Revolution would have been impossible and civilization would have been retarded accordingly. Of course, paper money was despised by Napoleon, but the English paper money enabled Napoleon to be put on St. Helena and gave to England the period of her greatest prosperity. Paper money won the Civil War and also the World War, and incidentally its contraction gave us the after-war panics of 1873 and the present one.

Paper moneys of the past have served their purpose and secured good results not possible by metallic moneys, but, nevertheless, they were paper moneys that were far from being ideal, for, with the exception of the French assignats, they were based on debts.

Labor money would be based on real wealth. The continentals, the wildcat money, green-backs, national-bank notes, and Federal Reserve notes were and are all based on debts—the more money the more debts and inflation and the less real value.

Labor money would be based on created wealth; the more money the more wealth, the very reverse of our present monetary system. Every operation of our present debt-money system that brings about the money stringency and depression would be put in reverse by the substitution of the wealth-money system this bill proposes. Because if we inflate our debt money, we inflate our debts and increase the burden of interest, while with an increase of wealth of labor money we would increase our wealth and at the same time decrease the interest burden. At present with the debt money we try to do business with, the more money there is in circulation the less it will buy per dollar, while with wealth or labor money there would be more wealth created and consequently more things that we could buy and enjoy.

The value of commodities can always be juggled, and, of course, that applies equally to commodity money, and be given fictitious market values. The demonetization of silver proved the mineral value of a silver dollar to be but 22 cents; and if gold were demonetized, gold would also drop down to its true mineral value. For there is only one thing that enters into or relates to commodities and to prices that is stable and has never changed, and that is time.

The kind of dollar this bill would give the people, and which by comparison I term the ideal dollar, would represent 1 hour of stabilized minimum or common labor. For the price of labor-time can easily be stabilized.

Briefly stated, labor stabilization would be brought about under a wealth or labor-time standard by the Government taking up the slack in employment by offering all persons not otherwise employed work on public or emergency projects at a wage that would not compete with private industry paying \$1 an hour, yet high enough to compel private industry to pay the same rate of \$1 per hour for common or unskilled labor. This emergency Government wage would be variable and act like an automatic thermostatic valve, rising if private wages were to rise above that figure.

For I claim, Mr. Speaker, that, inasmuch as all wealth is created by labor, it is only natural, sensible, scientific, and honest for us to legislate to measure all wealth by labor, and labor can only be properly and justly measured by time.

This money would be stabilized, since it would be representative of actual wealth created in the earning of the money, so that at all times there would be direct wealth back of every dollar paid out. That is why I am calling it "wealth" money, and to distinguish it from what I call our present "debt" money.

Without the stabilization of money effected by this created wealth back of every dollar, as the quantity of money going into circulation increases there would be, as now, a corresponding decrease in what the money would buy. Present money fixers try to hold or stabilize values by what is called "controlled" currency. But the mess of 1929 to 1934 that we were wallowing in shows the inefficiency of the attempted methods of the present price and money fixers. The basic reason for the break-down of the present controlled-currency system is that it has so little real wealth back of it and so much debt and interest to pay. From about 10 cents' worth of gold in its control it is possible for the Federal Reserve System to issue \$25 worth of debt- and bank-credit money, so that when money is increased today the debts are also increased; with the more money the more debts, interest, bonds, and bondage and the more unstable our money becomes.

The Federal Reserve bank, a private corporation, now has the controlling power over our currency. It reduced our currency over 31 percent, and thus caused the panic.

The control of the volume of money should be in the hands of every citizen individually and should not be abridged by any person or persons, not even by the President or by Congress itself. There can no more be a healthy commercial body by controlling the volume of money than there can be a healthy physical body by controlling the volume of air that body needs. Nobody goes to bed worrying that maybe tomorrow there will not be enough fresh air to go around for everybody to get all they need, and in a similar way nobody in our fair land should go to bed worrying for fear that there would not be enough circulating medium available the next day and every day for all to be employed and get all that they needed in exchange for the available work and money. For it would be just as sensible for us to vote here to give a small group of men a franchise to put a gag on the breathing apparatus of the individual, if that were possible, and make the people pay a fee for the measured and controlled volume of air they breathed as it is to give the private Federal Reserve bank the right to issue and control money, as we do, and allow them to charge an interest rate for the use of the money in circulation.

The ideal money that this bill, H.R. 9931, would make law would give every citizen the same right to control money now given by the Government to the private Federal Reserve banks. And every citizen could then take this labor time, or collateral wealth based on labor, and have it coined into money. If there were no work available in private industry, any citizen would go to his Government and secure emergency work. The Government would utilize the time of the citizen to create wealth, actually taking his labor and coining it into money behind which was the wealth he created. The citizen would take his money, representative of wealth created for use and consumption, and pass it out into circulation for whatever he needed or wished to buy with it. The wealth would exist and be a benefit to society, and the more he worked the more wealth money there would be available for society. In the case of the present controlled debt money, debts are created by the issuance of money and remain as a curse to society.

The proposed ideal monetary system provides for the redemption of the currency regularly, by retirement from circulation in the payment of it to the Government for taxes and for services rendered. For any currency that is not redeemable would be like the old continentals, the war greenbacks, the French assignats and mandats, the German post-war marks, and so forth, which all fluctuated to the advantage of those who controlled the fluctuations, and to the disadvantage and robbery of the people as a whole. The United States Government would always accept the currency it paid out for wealth created, at full face value, and never repudiate its own obligations as it did in connection with the repudiation of the greenbacks that brought about the historic Black Friday, and as the German Government did in connection with the repudiation of its own post-war marks.

This bill provides for the stabilizing of common or unskilled labor at \$1 per hour, with skilled, hazardous, or undesirable labor at a higher rate as demand would dictate.

This bill would not stabilize labor by codes, strikes, or bargaining, but by the Government acknowledging the inherent right of man to life, liberty, and the pursuit of happiness by guaranteeing work to all at all times and in all places, at Government emergency work, at a price low enough not to compete with private industry, yet high enough to compel private industry to pay \$1 per hour for common or unskilled labor.

This bill would all but end bankruptcies for it would end the gamble in business. Ninety percent of people who go into mercantile pursuits fail, say the commercial agencies. Yet 90 percent of those who do fail were in no way to blame for their failures. The gambling money system made them fail.

This bill would save the renters of the Nation one-third by eliminating taxes and interest on mortgages.

This bill would double the purchasing power of the farmer and laborer by ending interest. Go into any store

today and purchase one dollar's worth of processed merchandise and more than 33 cents goes for interest, 15 cents for taxes, and 10 cents goes for excessive profits, yet the independent retailer does not get enough. This bill would wipe out interest and automatically give the producing classes twice their present income and a better deal for the one-horse business man.

This bill would end the power of Wall Street because that group lives and fattens on interest, bonds, and bondage.

This bill would pay the soldier-bonds debt immediately. This would be one way of getting money into circulation besides doing justice to the soldiers.

This bill would offer every mortgagor money on his home at 1 percent or less and save Detroit 22 percent on its tax burden.

This bill would give Detroit and every other governmental subdivision all the money it wants at less than one-sixth of 1 percent.

This bill would break the way for the Money Order Division of the Post Office to become the checking medium of the people by compelling the Government to use money orders in its own transactions.

This bill would end strikes and their expense to society, for the Government would strike for the working people.

This bill would automatically end any fear of disturbance and would substitute an era of peace and prosperity never before enjoyed by the masses, for they could freely exchange their labor and wares for their neighbors', because there would be a plentiful supply of money at all times.

Today we learn of strikes and more strikes, and wars and more wars. This bill if passed will end strikes by having the Government strike for 96 percent of us. It will end wars, for they are only monetary and trade misunderstandings.

This bill allows the workers themselves to set the price of every trade or class of work. The Government only announces a fair wage that the laborers themselves make by volume.

Ten men in the Department of Labor by this bill could handle and settle every labor dispute for the whole Nation, for there would be none.

#### THE NEGRO'S SHARE IN THE NEW DEAL

Mr. COCHRAN of Missouri. Mr. Speaker, in response to an inquiry from one of my constituents as to how the colored citizens of the Nation have feared under the new deal, I had occasion recently to make an investigation and believe the facts gleaned will be of interest, especially to those Negro voters who, in the last election, broke away from their traditional political moorings to vote for President Franklin D. Roosevelt.

Ever since the Civil War the Republican Party has had the Negro vote pretty much in its vest pocket, and to a greater extent than many people realize owes its long tenure of power to that very fact. In nearly every election during the past 20 years the Negro vote has represented the balance of power in such important States as Illinois, Indiana, Ohio, and not infrequently, in my home State of Missouri. These States alone have a combined strength of 76 votes in the electoral college, and in addition, the Negro vote has been an important factor in other States upon which the Republican Party has relied in the past for its dominance in national affairs.

Despite their allegiance to that party, however, the Negro got precious little consideration, and there is an obvious reason for this. The Republican Party and its predecessor, the Whig Party, since the days of Alexander Hamilton has stood for entrenched wealth; for property rights as against personal rights. Few Negroes are rich, and yet it was only these few who could derive any substantial benefits from a continuation of Republican policies.

It was during the Smith campaign in 1928 that a number of leading Negroes awakened to this fact; to a realization that the best interests of their race would be served by the Democratic Party, the party that stands for the common man; for human rights above property rights. In the last

election this swing of the Negro voter from the Republican to the Democratic Party was even more pronounced, and I, for one, do not believe they will go back simply to serve some self-seeking politicians. Certainly they have no reason to do so for the new deal has meant a square deal for the Negro.

As an illustration, during the decade from 1920 to 1930 the Republican Party was in control of this Government, and during that period, according to Charles Hall, expert statistician in the Bureau of the Census, the colored farmers of the Nation lost 3,785,757 acres of land. This is 5,915 square miles, an area twice the size of the State of Delaware, and it was, for the most part, good, rich, farming land. Not one thing was done by the Federal Government to save these men their homes. Thanks to the recovery program of President Roosevelt and the Democratic Congress, however, means are at hand to save to their owners the 36,758,484 acres remaining in the possession of colored farmers. They have access, on an equal footing, to relief afforded by the Farm Credit Administration, the Agricultural Adjustment Act, the Federal Emergency Relief Administration, and kindred agencies for financial aid. More than that, there are men of their own race to whom they can appeal. Prof. H. D. Hunt is with the Farm Credit Administration, while T. M. Campbell, of Tuskegee, and J. B. Pierce, of Hampton Institute, are the colored representatives with the Agricultural Department.

Largely as a result of the activities of Dr. Ambrose Coliver, special assistant to Harry L. Hopkins, Administrator of Federal Emergency Relief, the school terms for colored children in the South has been lengthened 2 months and the salaries of over a thousand school teachers were increased. There have been 4,000 needy colored students who have received from \$8 to \$20 a month each so they could continue their studies in 120 colored colleges, including Lincoln University at Jefferson City, Mo. In Chicago 114 colored teachers, both men and women, have been receiving \$100 a month for conducting adult classes in the drive the Federal Government is making to stamp out illiteracy. As a result of this drive it is estimated that at least half a million colored citizens and their children have been benefited.

Howard University and Freedman's Hospital, Washington institutions, have received \$2,000,000 from Public Works funds for improvements and betterments. Wendell Phillips High School, on the south side of Chicago, was completed through an allotment of \$500,000 from the same source. Home-owners' loans have been utilized by colored citizens, the same as the whites, to save their homes.

The Virgin Islands have received substantial allotments of public funds from the Federal Government, and there has been no discrimination practiced in employment of colored men and women under the P.W.A., the C.W.A., and similar agencies including the C.C.C. camps.

Among the appointments made by President Roosevelt was that of Dr. William T. Thompkins, of Kansas City, to be recorder of deeds in the District of Columbia, and this nomination was treated with marked consideration, Dr. Thompkins being confirmed by a unanimous vote in marked contrast to the difficulties encountered by Dr. Rex. Tugwell and Dr. Thorp, both of whom are white.

Other colored men who have been named to places of honor and responsibility in this administration include Eugene Kinkle Jones, executive secretary of the National Urban League, appointed adviser on Negro affairs by Secretary Daniel C. Roper, of the Department of Commerce; Robert L. Vann, named special Assistant Attorney General under Attorney General Homer C. Cummings; Forest B. Washington, Atlanta School of Social Science, named advisor on Negro affairs to Harry L. Hopkins, of the Federal emergency relief; Earl R. Moses, who holds a degree of M.A. from the University of Chicago, named assistant statistician in the Bureau of Research; L. A. Oxley, of North Carolina, named arbitrator in the Department of Labor by Secretary Perkins; while Wilbur A. Hastie and Theopolus Mann have been named attorneys in the Department of the Interior by Secretary Harold L. Ickes.

While these are individual honors, the colored citizens generally have benefited by the Roosevelt policies. In every law passed by Congress for direct relief or otherwise the Negro shares equally with his fellow citizens. The revival of the steel and packing industries brought them employment, while the regulations of the N.R.A. insured them against discrimination in wages and hours.

From all this I feel that the new deal and the Democratic Party have justified themselves and given fair return to the Negro voters who supported them 2 years ago. For the first time in the history of the Nation the economic and social welfare of the colored citizens have been given the same consideration as all other citizens. There is no color line in the new deal.

#### INTEREST IS WALL STREET'S POUND OF FLESH

Mr. ROGERS of Oklahoma. Mr. Speaker, the taking of interest is the art or science of taking something for nothing while making the payer believe you have accommodated him.

Agriculturally it is the science of the potato-like planting of one silver dollar for one year, and then being able to dig up the dollar with 10—in Oklahoma the average interest charge to farmers is 10 percent—red cents hanging to it.

It is the art of the Wall Street highwayman of legally taking one-half of every dollar earned by the workingman and one-half the value of every product raised by the farmer for the highwayman's gain. It makes every producer a slave to the interest taker of as much as the producer himself receives.

The system would not be more vicious if every time a farmer took a load of cotton or wheat to market, when the purchaser counted out the money a highwayman stood there and "held up" the producer, demanding "one-half the money or your life."

It would be as if when the employer handed out the pay envelopes a respectable highwayman with a mask demanded half the contents of the pay envelopes or the life of the worker.

The crime appears when the producer sells his wares for one-half the real value and then purchases the same wares with Wall Street's processing interest tax of 33 cents on the dollar added. When you buy \$3 worth of average processed merchandise at the store \$1 goes to the Wall Street interest-taking highwayman. One-half that interest dollar should have gone to the farmer when he sold his produce and the other half to the laboring man for his services.

The farmer could receive twice the present price for farm products that are processed and the workingman twice the price for his work without changing the retail price one penny if interest were eliminated.

But you say, "Cannot money earn money?" No; it can only steal. We have been brought up to believe that legal robbery is proper.

When these interest-taking highwaymen want money for their own use to make it "grow", they borrow \$1,000 from the Government for 30 red cents, then charge industry, including agriculture, 200 times as much, or \$60. Industry, including agriculture, pays a fee of \$59.70 to the robbers. Industry adds that robber's fee to the price of its processed merchandise, and you pay it at the store when you buy.

Not only do the highwaymen "gyp" the public but they "gyp" the Government as well. Every day the Government is loaning truck loads of this money for 30 cents on the thousand dollars and then when the usual return channels do not furnish enough money to run the Government, the Secretary of the Treasury borrows the Government's own money and pays to Wall Street a varying rate of from \$28.75 to \$42.50 per thousand dollars for it. Call it \$30 for an average. We loan it for 30 cents and borrow it back for \$30, representing a loss of \$29.70 to the Government on its own money. In other words, the Government pays 100 times as much to use its own money as it receives, and we call that "business sagacity." The test of being a great Treasurer of the United States is to be able to make this steal deal without cracking a smile. That is why Andrew

Mellon was known as the greatest Treasurer since Alexander Hamilton—he was so serious about it that he never smiled.

The price of interest charges is just like the price of eggs. When there is plenty of money floating around the interest rate is low. When money is exceedingly scarce it bears a very high interest rate. When all the hens lay, eggs go down. When the hens go on a strike, egg prices advance.

The money lenders have learned this trick, so they always keep money scarce in order to take more interest.

What we need is a plentiful supply of money—so plentiful that the interest rate would fall lower and lower, until no one could secure more than 1 to 3 percent for petty hazardous loans; so much money that the loan companies which charge 3 percent per month would be glad to get 3 percent per year. Put enough money in circulation and there will be no interest charge except the charge for labor and hazard involved—and this is all there should be.

My illustrious namesake, Will Rogers, the humorist, says: "The trouble with this country is Old Man Usury." We Rogerses agree.

The Bible condemns interest from cover to cover. Let me call your attention to God's word on the subject. I will use American Standard Version.

There is that beautiful piece of poetry in the fifteenth chapter of Psalms. It reads:

Who may sojourn in Thy pavilion, O Lord?  
Who may dwell upon Thy holy hill?

He who walks blamelessly, and does right,  
He who does not put out his money on interest,  
Nor take a bribe from the innocent.  
He who does such things shall never be moved.

I will quote additional passages:

If you lend money to my people, to any poor person among you, you must not behave like a creditor toward him; you must not charge him any interest (Exodus 22:25).

Take no interest from him in money or in kind (Leviticus 25:36).

You must not exact interest on loans to a fellow countryman of yours; interest on money, food, or anything else that might be exacted as interest (Deuteronomy 23:19).

Within you men take bribes in order to shed blood; they take interest and increase; they oppress their neighbors by extortion. And me you forget (Ezekiel 22:12).

Martin Luther said the usurer should be hanging from the gallows.

While it may be argued that the Christian Church allows interest taking, we may call attention to the fact that Jesus came to fulfill the law, not to destroy it. His failure to discuss interest taking was owing to the fact that no Jewish leader defended the practice. The early church reflected the unwritten teachings of the apostles and church fathers, for the church stood foursquare against interest taking for 15 centuries. The exaction of money for the use of money is a pagan custom. The Mohammedan, Christian, and Jewish religions all viewed it as a sin. The Greek and Roman philosophers condemned the taking of interest. Aristotle said money was barren and could not increase. Plato said it was against the nature of things. Cato classed it with homicide.

So far as the New Testament records go there is no direct mention of Jesus' opposition to usury or interest. We have, however, a background of Mosaic law condemning it, and the condemnation of the prophets in unmistakable language. Then we have Jesus' statement that He came not to condemn the law but to fulfill the law, placing Himself squarely behind the laws forbidding interest. In Luke 6:35 Jesus lays down the Christian standard as "Lend, hoping for nothing again."

The only Bible reference that can be claimed as a defense of interest is the story of the reward for service in the parable of the talents. Here Jesus used the illustration of the wicked money lender rewarding his wicked servants to illustrate how the faithful servants would be rewarded in the realm of heaven. He did not recommend wicked interest taking here any more than He recommended wicked stewards in the sixteenth chapter of the same book.

In driving the money-lending bankers out of the temple Jesus called them (in the King James translation) "A den

of thieves." In the German translation it reads, "Moerder Grube", or a trench or cave of murderers. For centuries the Catholic Church stood almost solidly against interest, classifying the sin as one of the most heinous.

Interest steals from society and eats up the wealth and prosperity of nations. It is simply a mathematical impossibility to continue it for more than a short time without a financial break-down.

To illustrate how the cancerous growth of interest works this destruction, a table is here given which shows the growth to date of a single dollar if loaned at the birth of Jesus in the year A.D. 1 at 6 percent compounded annually, viz: The year 1, \$1.06; the year 2, \$1.12; the year 3, \$1.19; the year 4, \$1.26. By the year 12 it amounts to \$2.01. In 24, \$4.02; in 48 it will have grown to \$16.32; in 96 it will have grown to \$266.34; in 192 it will have grown to \$70,937; in 384 it will have grown to \$5,032,057,969. By 1936 it would have become when enumerated 6 quindecillions 913 quatuordecillions 170 tredecillions 171 duodecillions 192 undecillions 611 decillions 82 nonillions 296 octillions 286 septillions 188 sextillions 809 quintillions 244 quadrillions 72 trillions 412 billions 784 millions 553 thousand and 729 dollars, and all would "grow" from one lone dollar.

Do you know that if by some magic wand you could wave and at one stroke this whole earth could be changed into one solid lump of gold you could not pay the bill those figures indicate?

If you should wave that magic wand and turn the sun into a ball of gold it would not pay the interest bill on \$1.

Nay, more, if you would wave the wand and a thousand suns should turn to pure gold, you still could not pay the bill.

Every nation that has tried to pay interest has disappeared from the face of the earth. It cannot be figured with a pencil so civilization and interest can co-exist for long in any country, in any clime.

Civilization begins to centralize through interest until one man or a very small group of men control all wealth; then there is revolution or decentralization, and the cycle begins again.

We are centralizing now.

Every move we make in government or in business is toward centralization, which can but prepare us for the explosion that is sure to come unless we stop usury.

Panics are all planned by the interest-takers to hurry centralization by eliminating the small banks and small business houses, and in these particulars the present depression is a huge success.

Our annual production of wealth is \$45,000,000,000. Of this amount we pay fifteen billion, or one-third, to usury.

We are in debt a quarter of a trillion of dollars at 6-percent interest, and that is fifteen billions of annual interest.

If an eighth-grade arithmetic pupil will figure the problem, he will find that in less than 12 years our quarter of a trillion dollars debt will be a half trillion and our annual interest burden will be thirty billions a year.

A hundred years ago if a man took interest he used the money for his own living. Today the interest takers cannot spend their collections, so they must double every dozen years. I am not talking about the man who has \$1,000 in the bank drawing his \$30 interest while he pays \$50 interest annually on his groceries. I am talking about the Morgans, Baruchs, Rockefellers, Mellons, and others of their ilk who cannot spend the usury they bleed from American citizens. This Nation cannot long stand the present high-interest rates. With the new public debts we have "put on" the people, the 33 cents interest on every dollar's purchase will increase to not less than 40 cents before 1936 and to around 60 cents by 1940 and to 70 cents by 1946. To cut the interest rate will only prolong the agony of death.

We must become converted politically, renounce the sin of interest, and follow the precepts of the Bible and the renowned philosophers or face a bloody revolution, the horror of which no man knows.

Interest is a destroyer of civilization. Not to destroy interest is to become annihilated ourselves.



There is no other alternative. We must destroy interest or be destroyed.

THE CONSTITUTION OR ITS DISAPPROVAL—WHICH?

Mr. McFADDEN. Mr. Speaker, let us suppose that one of the Presidential candidates in 1932 had promulgated as a platform the following:

First. I propose to undermine confidence in the business leadership of the country generally by parading before the American public, through Congress and commission investigations, outstanding examples of mistakes and malfeasance in all lines of business. I propose that these exposés shall be staged in such a way as to give them utmost publicity possible, with a view to creating the impression that these cases of wrongdoing, whether intentional or not, are typical of all business. I shall in my inaugural address charge the depression and the ills of the public generally to the business leadership of the country and shall state in that inaugural address that the business leaders have been not only incompetent and stubborn but also dishonest in many activities.

Second. I propose to encourage and extend Government competition with many lines of private business and to institute governmental control and regulation of business activities through at least 50 new bureaus and commissions which I will set up in Washington.

Third. I shall oust the more experienced Government employees and supplant them with new appointees, exempted so far as possible from civil-service examinations and chosen by my political campaign manager, and I will add at least 50,000 additional Government employees to the Federal pay roll in the first year of my administration.

Fourth. I propose not only to abandon the gold standard but to debase our currency, repudiate the promises of the Government to pay in gold, make it a crime for private citizens to have gold in their possession. I shall call upon some college professors to establish by experiments a new monetary system with no definite and fixed value for the monetary unit.

Fifth. To assist agriculture I shall pay a bounty for the killing of many million pigs and sows and the plowing up of one-fourth of our cotton acreage; and I shall furthermore distribute to farmers from the Federal Treasury sums aggregating several hundred million dollars, in such a fashion that the farmer will receive greater revenue for nonproduction than he will for production. Cotton being one of our principal export commodities, I shall take steps to artificially raise its price so that American cotton will be at a disadvantage in world markets and thus stimulate the expansion of cotton production in foreign countries. In other farm commodities I shall fix the prices regardless of the supply and demand.

Sixth. I propose to demonstrate my faith in the Russian experiment in Communism by recognizing Russia, by reducing the Russian debt to the United States, and by lending the Russian Communist Government a few hundred million dollars from our Treasury.

Seventh. In order that I may not be hampered by the prejudiced viewpoint of adherence to the old system, I shall dispense with and ignore the advice of experienced business and political leaders and surround myself with brilliant and clever young men who have nothing to lose by abandoning the old system but who are bitterly opposed to that system and zealously devoted to the creation of a new order. To these young men I shall entrust the drafting of the important new legislation for carrying out my policies, and this legislation I will drive through Congress, urging the necessity for this new legislation as a part of my program to meet the emergency. I can thus destroy the old order under the guise of trying to save it in an emergency.

Eighth. I propose to tell our people that this being the age of plenty they should work less and produce less and demand more for what they do, and to emphasize my belief in this program I shall employ millions of idle people to do unnecessary work and pay them therefor higher wages than are paid by private employers for useful work.

Ninth. I shall advocate the redistribution of wealth, arouse the workers against their employers, the producers

against the distributors, and while urging the producers and distributors to increase wages and maintain prices the consumers will be told that they are being robbed.

Tenth. I shall prevent the criticism of my policies: First, by continual emphasis upon the terrible condition from which I am trying to save the country; second, by controlling the radio through the Federal Radio Commission; third, by establishing such intimate relations with the Washington newspaper correspondents as will cause them to interpret my actions and policies as I desire them interpreted, and by threatening their publishers with loss of advertising and circulation through popular revolt if they criticize. To the more obstreperous I shall throw down the challenge that it is unpatriotic to criticize the President in times of such emergency.

Eleventh. To avoid the constitutional barriers I shall cause attacks to be made upon the strict interpretation of the Constitution as being out of date and no longer adequate to protect the people, and where the judiciary seems unwilling to approve my legislation I shall cause them to be attacked in the press and threaten them with investigations and popular disapproval.

Twelfth. I shall seek control over all the affairs of the Nation and shall strip the States of all their rights of local self-government. This shall be accomplished by the regimentation—persuasively, if possible, if not, then by coercion, threats, and intimidation—of industry under codes, compelling the business interests of the Nation to engage in private contract to grant my bureaus and administrative authorities complete control of their affairs, constituting them legislators, judges, and juries whose actions and decisions shall be conclusive; and if any recalcitrant member of any industry dares challenge the constitutionality of the act of Congress under which I proceed, my young lawyers will meet them in court and assert my right to do this, and deny their right to challenge it because they have agreed by private contract to my terms and cannot attack the constitutionality of an act under which they have sought to do business.

Finally, I will stultify States, counties, cities, industrial establishments, and individuals by establishing Federal loan agencies that will extend credit to them and mortgage their assets, so that I will have their property in my hands as security for their debts, so that they dare not challenge my actions. This power of debt I will use to the utmost. Thus the Constitution shall be subject to my will, because there will be none left to oppose my interpretation.

Thus my power will be complete and I shall proceed to demonstrate to the Nation what I, and my young intellectual professors and lawyers, can do in the way of experimentation.

LOSS TO GOVERNMENT ON LOW POSTAGE RATES TO NEWSPAPERS AND MAGAZINES

Mr. PATMAN. Mr. Speaker, I have prepared the following questions and answers from information which I have obtained from official sources:

Q. For the fiscal year 1933 did the Post Office Department collect as much in revenue as it expended?

A. No; that Department was operated at a loss to the taxpayers of \$101,926,849.73 during that period.

Q. How much did the Government lose on first-class mail?

A. There was no loss on first-class mail; in fact, there was a profit of \$104,859,190.06 made on first-class mail and local delivery letters.

Q. Which class of mail caused the greatest loss, and what did it consist of?

A. Second-class mail, consisting of newspapers and magazines, caused a loss of \$88,202,962.37. Daily newspapers caused \$30,481,517.76 of this loss, free-in-county publications caused \$8,271,232.36 of the loss, and other newspapers and magazines the remainder.

Q. Why is this loss caused?

A. These publications get a special postage rate. They do not pay anything for postage on newspapers delivered in the county where published, except on copies delivered by city carriers. During the fiscal year 1933 it cost the Govern-

ment 10.89 cents to deliver a pound of second-class mail, while the Government only received 2 cents a pound for this service, a loss of 8.89 cents a pound.

Q. Why has Congress adopted the policy of allowing these publications such a low rate compared to cost of service?

A. It is said that George Washington first advocated it, on the theory that the dissemination of knowledge and current information should be encouraged even to the extent of a Government bounty; that such publications receiving such privileges would be under obligation to the public to furnish correct information and be absolutely fair in every way because they were receiving these benefits at the expense of the Government and the people.

Q. Should the law be changed and a rate charged that would not cause a loss to the Government?

A. Where such publications are making excessive profits through the use of this privilege, there is much to be said in favor of capturing a part of such excessive profits to pay the loss they cause the Post Office Department. Nothing should be done, however, that would retard the distribution of current information or that would retard the dissemination of knowledge, even if a loss to the Post Office Department is caused. Unless weekly papers were permitted to enjoy these privileges they would be forced out of existence by the State and national publications, and subscription rates would be so high the public would not pay them. It is not in the public interest for this great means of communication to the people to be in the hands of a few.

Q. Do you know how much the Government lost during this period on some of the leading publications?

A. The following table discloses this information:

For the fiscal year ending June 30, 1933

	Total number of pounds	Excess expenditures by Government over revenues received
New York Times.....	10,681,389	\$940,575.48
New York Herald Tribune.....	4,201,687	373,529.97
Saturday Evening Post.....	24,276,222	2,158,156.13
Chicago Tribune.....	8,718,317	775,058.38
Colliers, the National Weekly.....	22,757,889	2,023,178.33
Time, the Weekly News Magazine, Chicago.....	5,677,639	504,742.10

#### THE NEW DEAL

Mr. SADOWSKI. Mr. Speaker, more than 150 years ago our forefathers proclaimed in the Declaration of Independence that the supreme function of government is to make secure for men the inalienable right of life, to liberty, and the pursuit of happiness. Moreover, the fathers declared that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it and to institute a new government, laying its foundations on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness. These are the two basic principles of human liberty laid down by the fathers of our country.

Under the past Republican administrations of Coolidge, Harding, and Hoover we had seen a condition created in America that wrecked and ruined our citizenry. A profit system was established which placed the few in control of gigantic monopolies and put profit above human life. The system established was destroying our historic gains and the achievements of our human civilization. Factories stood idle, crops were rotting in warehouses and on the fields, while labor stood in bread lines awaiting their turn for a bowl of soup. Under this system of profit a virtual economic monarchy was established, with the bankers and great industrialists enthroned as kings, absolutely irresponsible and devoid of all human feeling toward the plight of millions of honest, hard-working, and God-fearing American citizens.

Billions of dollars were taken away from our citizens in profits and usury. Wages of labor were slashed and the farmer reduced to a state of serfdom. The marvels of the machine age were used not to lift the burden of toil from the shoulders of labor but to speed up beyond human en-

durance and to finally throw labor jobless upon the street. The natural resources were wasted. Farms were mortgaged and sold under the hammer. The city workers were evicted from their homes. Truly, a nation was starving in the midst of plenty.

Mass production and machine production immediately following the war were out of all proportion to the trend in purchasing power of the millions employed in manufacturing. Increased earnings by the mechanization of industry were placing more and more wealth in fewer hands and the corresponding decrease in the purchasing power of the average citizen was curtailed until we reached the saturation point, and no market was to be found. Our distress was not so much due to overproduction as it was to underconsumption. Unemployment had reduced the purchasing power of our people.

Then came Franklin Delano Roosevelt, preaching the fundamental doctrine of our forefathers. Here was a red-blooded American who dared to face the American kings of profit and usury and tell them they were wrong; that the conditions in the country were intolerable, and that the citizens of this great country would have a new deal. His sincerity of purpose, his personal integrity, his honest feeling for humanity were so great and overwhelming that in November 1932 he was elected President of these United States of America by the greatest majority ever accorded any President in the history of our Nation.

Confronted with the greatest human relief need that has ever faced the Federal Government was one of the major assignments for the President and Congress to meet. With about 15,000,000 men and women out of work, although they were willing and able, and alarming conditions of unrest in every corner of the Nation, Congress, under the leadership of President Roosevelt, appropriated large sums of money for work relief and public works measures that would immediately take out of the ranks of the unemployed 4,000,000 men and women. These persons put their pay roll checks into the purchasing power of the Nation, and it was not long until industry had called back 2,000,000 persons to work, and inside of 1 year's time more than 6,000,000 people had been taken off the unemployment lists.

Allow me to list briefly some of the major legislative enactments passed by the Seventy-third Congress:

The President was given war powers of regulation and the transaction in currency, gold, and silver, including foreign exchange and authority to fix restrictions on banking business of Federal Reserve members. A \$2,000,000,000 stabilization fund was created out of the gold profit and the President was authorized to revalue the gold dollar. The lending life of the R.F.C. was extended for 1 year and the borrowing power was increased \$850,000,000. The R.F.C. was authorized to make direct loans to industries and on assets of closed banks. The Federal Deposits Insurance Corporation was extended and the amount of guarantee raised to \$5,000.

The Federal Farm Mortgage Corporation was created, with a \$200,000,000 capital subscribed by the Treasury and guaranteed interest and principal on bonds of this Corporation up to \$2,000,000,000.

The Home Owners' Loan Corporation was created, guaranteeing bonds of \$2,000,000,000 to provide funds for home financing. The Federal Housing Administration was established, insuring against loss on loans for repairs, to insure for a premium first mortgages on real estate, and so forth.

Established the Federal Securities and Exchange Commission to regulate the sale of securities. The bankruptcy act was also revised.

The President was authorized to negotiate reciprocal tariff bargaining agreements with other nations; and enacted laws to encourage and revive foreign trade.

Authorized the President to name boards to investigate disputes arising under section 7 (a) of the National Industrial Recovery Act and to conduct secret elections among employees to determine whom they wish to represent them in collective bargaining.

Passed the railroad pension bill which gives to men who have given their lifetime service to the transportation sys-

tems of this Nation security for the rest of their lives. Also amended the Railway Labor Act to guarantee to workers the right to organize for collective bargaining. Over \$3,000,000,000 was appropriated to the C.W.A. and Federal Emergency Relief Administration for relief activities and C.C.C. activities and the extension of public works. Also provided for increased employment by appropriating Federal aid for highway and road construction.

Took care of presumptive service-connected cases of World War veterans at 75 percent of their former benefits, and restored Spanish War veterans and their widows at 75 percent of former pensions.

The Federal Communications Commission was established to have jurisdiction over all transmission of intelligence by telephone, telegraph, radio, and wireless.

Drastic crime legislation was enacted to put a stop to the crime wave that has been sweeping the country, and rewards authorized for any hoodlum designated as a public enemy.

The Agricultural Adjustment Administration, the crop-production loan measure, the Bankhead cotton bill, and other agricultural measures were enacted to aid agriculture in this country.

The Tennessee Valley Authority was created to operate Muscle Shoals properties, construct dams, and so forth.

The Vinson Act was passed authorizing construction of a navy up to treaty limits and to maintain it there.

Saw the end of prohibition and the legalization of the sale of alcoholic beverages. From the sale of alcoholic beverages a new source of revenue was opened to the Government.

And so we sum up: President Roosevelt and this Democratic Congress can well be proud of their work during the last 15 months and can look to the future with confidence.

First. On the side of relief we have extended material aid to millions of our fellow citizens.

Second. On the side of recovery we have helped to lift agriculture and industry from a condition of utter prostration.

Third. In addition to this we have taken positive action to prevent a recurrence of a collapse in our economic structure by reorganizing, rebuilding, and safeguarding our economic life there where it was necessary.

Fourth. We have eliminated the abuses of the past and have worked diligently for the greatest good for the many.

Fifth. We have striven to bring our Government back to the ideals, objectives, and practices of our forefathers.

#### FUTURE PROGRAM

President Roosevelt, in his message to Congress on June 8, 1934, said:

Among our objectives I place the security of the men, women, and children of our Nation first. This security for the individual and the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

In a simple and primitive civilization homes were to be had for the building. The bounties of nature in a new land provided crude but adequate food and shelter. When land failed our ancestors moved on to better land. It was always possible to push back the frontier, but the frontier has now disappeared. Our task involves the making of a better living out of the lands that we have.

So, also, security was attained in the earlier days through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore, we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it.

With the full cooperation of the Congress, we have already made a serious attack upon the problem of housing in our great cities. Millions of dollars have been appropriated for housing projects by Federal and local authorities, often with the generous assistance of private owners. The task thus begun must be pursued for many years to come. There is ample private money for sound housing projects; and the Congress, in a measure now before you, can stimulate the lending of money for the modernization of existing homes and the building of new homes. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans should.

In regard to the second factor, economic circumstances and the forces of nature themselves dictate the need of constant thought as to the means by which a wise government may help the necessary readjustment of the population. We cannot fail to act when hundreds of thousands of families live where there is no reasonable prospect of a living in the years to come. This is especially a national problem. Unlike most of the leading nations of the world, we have so far failed to create a national policy for the development of our land and water resources, and for their better use by those people who cannot make a living in their present positions. Only thus can we permanently eliminate many millions of people from the relief rolls on which their names are now found.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to re-create forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes. \* \* \*

Human knowledge is great enough today to give us assurance of success in carrying through the abandonment of many millions of acres for agricultural use and the replacing of these acres with others on which at least a living can be earned.

The rate of speed that we can usefully employ in this attack on impossible social and economic conditions must be determined by businesslike procedure. It would be absurd to undertake too many projects at once, or to do a patch of work here and another there without finishing the whole of an individual project. Obviously, the Government cannot undertake national projects in every one of the 435 congressional districts, nor even in every one of the 48 States. The magnificent conception of national realism and national needs that this Congress has built up has not only set an example of large vision for all time but has almost consigned to oblivion our ancient habit of pork-barrel legislation; to that we cannot and must not revert. When the next Congress convenes I hope to be able to present to it a carefully considered national plan covering the development and the human use of our natural resources of land and water over a long period of years.

In considering the cost of such a program it must be clear to all of us that for many years to come we shall be engaged in the task of rehabilitating many hundreds of thousands of our American families. In so doing we shall be decreasing future costs for the direct relief of destitution. I hope that it will be possible for the Government to adopt as a clear policy to be carried out over a long period the appropriation of a large, definite, annual sum so that work may proceed year after year not under the urge of temporary expediency but in pursuance of the well-considered rounded objective.

The third factor relates to security against the hazards and vicissitudes of life. Fear and worry, based on unknown danger, contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established among other things "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.

#### NEXT WINTER WE MAY WELL UNDERTAKE THE GREAT TASK OF FURTHERING THE SECURITY OF THE CITIZEN AND HIS FAMILY THROUGH SOCIAL INSURANCE

This is not an untried experiment. Lessons of experience are available from States, from industries, and from many nations of the civilized world. The various types of social insurance are interrelated, and I think it is difficult to attempt to solve them piecemeal. Hence I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life, especially those which relate to unemployment and old age. I believe there should be a maximum of cooperation between States and the Federal Government. I believe that the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation. Above all, I am convinced that social insurance should be national in scope, although the several States should meet at least a large portion of the cost of management, leaving to the Federal Government the responsibility of investing, maintaining, and safeguarding the funds constituting the necessary insurance reserves.

I have commenced to make, with the greatest of care, the necessary actuarial and other studies necessary for the formulation of plans for the consideration of the Seventy-fourth Congress.

These three great objectives—the security of the home, the security of livelihood, and the security of social insurance—are, it seems to me, a minimum of the promise that we can offer to the American people. They constitute a right which belongs to every individual and every family willing to work. They are the essential fulfillment of measures already taken toward relief, recovery, and reconstruction.

This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion.

Ample scope is left for the exercise of private initiative. In fact, in the process of recovery, I am greatly hoping that repeated promises that private investment and private initiative to relieve the Government in the immediate future of much of the burden it has assumed will be fulfilled. We have not imposed undue restrictions upon business. We have not opposed the

incentive of reasonable and legitimate private profit. We have sought rather to enable certain aspects of business to regain the confidence of the public. We have sought to put forward the rule of fair play in finance and industry.

It is true that there are a few among us who would still go back. These few offer no substitute for the gains already made, nor any hope for making future gains for human happiness. They loudly assert that individual liberty is being restricted by Government, but when they are asked what individual liberties they have lost they are put to it to answer.

We must dedicate ourselves anew to a recovery of the old and sacred possessive rights for which mankind has constantly struggled—homes, livelihood, and individual security. The road to these values is the way of progress. Neither you nor I will rest content until we have done our utmost to move further on the road.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 8, 1934.

In spite of all of the efforts of our great President and this Democratic Congress we hear certain rumbling and destructive criticism. Where is it coming from? Why, from the old gang that we remember so well. Certainly, you have not forgotten the "prosperity-just-around-the-corner boys" who sat around twiddling their thumbs while the Nation was down on its knees. They advocated the infamous policy of "laissez faire", the policy of avarice and greed. A policy of plunder for the few and starvation and serfdom for the rest of the Nation. They are the reactionaries who stood pat for privileges for the few. They have no plans for the future. They have no constructive ideas. They are devoid of any feeling for humanity. The policy of the new deal and of social justice terrifies them. They can only squeal like the hog that has been driven away from the trough.

The issue before the American people is still the same—Republican misrule, misery, ruin, and disaster against the Democratic new deal, Roosevelt, progressiveness, liberalism, and social justice for all.

#### THE ACCOMPLISHMENTS OF THE SEVENTY-THIRD CONGRESS

Mr. HAINES. Mr. Speaker, at no time in the history of our great Nation was any Congress faced with responsibility as great as that of the present session. When the present administration assumed control of the Government on March 4, 1933, Mr. Roosevelt found it necessary to call us into special session to rebuild the Nation, for rebuilt it had to be, due to a complete break-down in our economic system and the loss of confidence on the part of the people.

On March 9 an emergency banking bill was proposed, passed, and signed in 7 hours, which had immediate effect throughout our entire country, restored confidence in our banks, and brought out of hiding millions of the people's money, so necessary in the conduct of business. By March 20 we enacted a law designed to save nearly \$1,000,000,000 in the running expenses of the Government. Millions of farmers were facing bankruptcy and the loss of their farms, and most of them in despair, not knowing what to do or where to go. The Agricultural Adjustment Act offered both relief and rehabilitation of agriculture. An act establishing forestry camps for wayfaring young men, direct unemployment relief, farm and home mortgage relief, an act allowing an orderly reorganization of the finance of our railroads, and an act of an emergency nature to conserve the Nation's monetary reserve followed in quick succession as Congress moved to improve the economic conditions of the country. Our railroads are owned by a great host of our people, who hold the securities, held also by widows and orphans, colleges and universities, many of them in trust funds for dependents, and representing the lifetime savings of people, so that it was so very necessary that this great Government go to the rescue and save as much as possible for this host of our citizenship. Today farmers are better off than they have been for many years, and while all that I favored was not enacted into law, at the same time I voted for every relief measure that was aimed to help farmers, business men, and the great laboring group of our citizenship. There were some long-range measures even in our special session. Out of it came the National Industrial Recovery Act, the keystone of the administration's entire economic program. We sought to increase wages, spread employment, eliminate the

sweatshop and child labor. Thank God we have already accomplished much of this, and in one day we almost eliminated child labor from our industrial operations, doing in this one day what other nations have spent many years to accomplish.

Child labor has been a blot upon our fair name as a people and the sweatshop a disgrace to our intelligence and the day in which we live. Industry asked to have codes of fair competition written into the act, which is nothing more nor less than self-government of business. Much is yet to be accomplished under this program, and it is my hope and prayer to God that business men and labor will unite under a banner of mutual welfare, so as to eliminate much of the strife and grief experienced by so many of our people. Mr. Speaker, I feel that one of the greatest blunders we ever made in this country of ours was the ridiculous reduction of wages to labor. Unless we raise the purchasing power of our people, insure them of jobs in which they can earn their bread by the sweat of their brows, not only living wages but at wages that will permit them to enjoy the luxuries so dear to our people, we cannot hope for complete recovery. This is a program aimed in the right direction, and all that it requires is full and complete cooperation of all our people.

The act we passed is all right; it will accomplish that which we seek only by full and complete cooperation on the part of both leaders of labor and leaders in industry. Mr. Speaker, we came here in January for this regular session of the Congress and our record has been made, and a record of which we can all feel proud, for each one of us was deeply concerned to do that which we believed to be in the best interests of all our people, under the leadership of our great President, who has always manifested a deep interest in the welfare of all the people rather than in the special interest of selected groups.

Mr. Speaker, I desire to enumerate here the record of this regular session of the Seventy-third Congress:

First. The Gold Reserve Act, through which the monetary gold in the Government's vaults was practically doubled in value.

Second. The Silver Purchase Act, which gave the white metal more of a place in our monetary system.

Third. The Revenue Act of 1934, whereby it is sought to plug up the many loopholes through which the beneficiaries of large incomes had avoided taxation.

Fourth. The Securities Exchange Act, imposing a system of Federal regulation on all stock and bond exchanges.

Fifth. The Corporate and Municipal Bankruptcy Acts, under which corporations and municipalities may readjust their finances.

Sixth. The Loans to Industries Act, under which the Federal Government may go to the assistance of solvent industries unable to finance themselves through regular banking channels.

Seventh. The Naval Constructions Act, authorizing a Navy up to the full limit of the London Treaty.

Eighth. The Communications Act, setting up a special commission for Federal regulation of the telegraph, telephone, and radio.

Ninth. The Anticrime Acts, implementing the Federal Government for a more vigorous drive on gangsters and gangdom.

Tenth. The Sugar and Cotton Control Acts, supplementing and strengthening the Agricultural Adjustment Administration in enforcing production control.

Eleventh. The Tariff Act, authorizing the President to negotiate reciprocal treaties to stimulate trade with other nations.

Twelfth. The National Housing Act, seeking to pry loose private capital for much-needed housing improvements in the country.

Thirteenth. The Labor Adjustment Act and the new Relief and Public Works Appropriations Acts, which we passed in the closing hours.

In addition to this, Mr. Speaker, we passed legislation to assist railroad workers, to pension them after a certain ex-

perience and term of service, aimed to assist these men after giving their lives to the service of the companies in whose employ they have been so long.

I wish that I had the time to take up each one of these acts and discuss them, but I do not want to abuse the privileges given to me. However, I do want to say that I have been faithful in my service to the people I represent, attending all the sessions of Congress, with but a few exceptions, and only absent at such times as official duties called me elsewhere.

I have voted for what I believed to be in the best interests of my own people; for, Mr. Speaker, I feel it my first duty to represent my own people, feeling that when I do this I also do what is best for the entire citizenship. Through our activities in this session we have placed the Nation upon a sound financial basis, enabling our people to more successfully trade with all the nations of the world. We cannot build a wall around ourselves and hope to prosper. We want to trade with the balance of the nations, for we have our surpluses to sell to them, and they have commodities that are indispensable to us; so that through the revaluation of the gold content of the dollar we have enabled our people to more successfully combat competitors in all lands. We have saved many of our States and municipalities from complete financial break-down in our appropriations and contributions to them so that they could care for their own. When one knows of the hundreds of communities that have defaulted in the payments of the obligations, their inability to feed, house, and clothe their people, and that through the help of Congress these have been cared for, one need not be ashamed of the accomplishments.

It is true that we have spent money. It is also true that the credit of the Nation was never better than it is now, as is indicated by the continued oversubscription of every bond issue offered by this Government.

We have put our house in better order than it has been for many years, for were it not for the emergency expenditures to keep our people from starving, from losing their farms and their homes, we would not now have a deficit in the Treasury of the United States. The truth of the matter is that we have a more nearly balanced Budget than for many years, and only because of these great emergencies in the Nation has it been necessary to appropriate sums of money to relieve these terrible conditions. No one in this great land of ours wants the people to go begging, and no one is going to starve. The President assured the Nation of this in his inaugural address, and he has kept the faith. Much has been said, Mr. Speaker, about the large appropriations made in this session of the Congress. It must, however, be remembered that most of this money is not being spent, but is being loaned to our own people and will come back to us. In fact, many of the corporations set up under these acts will show a profit to the Government. We loaned billions to banks, because these banks represented the savings of our people. We loaned millions to railroads, and a great deal of this has already been returned. We loaned millions to insurance companies, because these companies likewise held the savings of many of our people, their obligations also being in the hands of our investing public, consisting not only of the rich but the poor and middle class who hold the obligations. We loaned billions to our farmers, and loaned more to them than any other of our people. Our farmers are sound and, given an opportunity, will repay equally as do others that we loan money to.

We have loaned millions to small home owners, permitting them to save their humble firesides, entering into agreements with mortgage holders to defer foreclosures, and in thousands of cases taken these mortgages off their hands. I have long ago urged that the Government go to the rescue of the small business men of the Nation, and I am pleased that we did this, for now the same opportunity that we gave to banks, insurance companies, farmers, and corporations is given to the small business men in the Nation, for in our one act (Loans to Industries Act) we have provided to loan money for these to continue operating their busi-

ness, to those, of course, who are solvent and unable to finance themselves in the conduct of their affairs.

In the special session of the Seventy-third Congress it was necessary for us to pass the so-called "Economy Act." I voted for this act with the understanding that it was necessary to save the credit of the Nation. I did not vote for this act to take pensions away from deserving veterans of our wars, nor would I ever be a party to doing this. I think this Nation is grateful to the men who entered the services of their country, and I would never be a party to taking away from them the benefits that this Nation should give to them. The President was the first to realize that this act went too far, and it was not long until he made more than 60 special regulations to take care of the abuses heaped upon deserving veterans, so that immediately when any veteran felt he was mistreated, he was given every consideration, and which led to these special orders of the President.

Mr. Speaker, I have always been interested in the welfare of our veterans. In my offices I handle hundreds of cases and employ two secretaries back home to look after their interests. When I realized that an injustice was being done to many veterans, I joined with others in our branch of Congress to correct these mistakes. I have no apology to offer anyone for voting to override the President's veto of the independent offices appropriation bill, for I would do so again, under the same circumstances. Those of us, Mr. Speaker, who come in personal contact with veterans every day know their problems and are better able to be the judge as to the equity in legislation.

I am so pleased to know that many of our veterans have again gone on the pension rolls, and I may say right here, Mr. Speaker, that I know of no veteran in my district who is being overpaid; indeed, I have many in whom I am still interested and feel that they are deserving of more pension than they now receive. It was most pleasing to me, Mr. Speaker, when we passed the bill to give pensions to widows and orphans of veterans who were being paid a pension but who did not die of service-connected disabilities.

This bill should have been passed long ago, and it will always be to the credit of President Roosevelt that he immediately recognized this need and urged us for immediate passage of the bill. Many of my people, particularly the farmers in my district, have asked me to support the Frazier-Lemke bill. I had no opportunity, as you know, to vote on this bill, for it was never brought before our branch of Congress. I believe that the purposes being sought in that proposal are worthy of much consideration, and had I been given an opportunity to vote on the same I felt it would have been my duty to do so, for I reiterate what I have already stated—that a Member of Congress is not to vote his own sentiments always but be guided by what he believes to be the majority sentiment of the people he represents. I am sure that some day we will solve the problem, not only of the farmer but of our laboring and business men, who are perhaps just as badly hurt as any of our others.

I am glad, however, that part of the Frazier-Lemke proposal was passed by the Congress in the passage of the bill granting extensions, under the bankruptcy powers of Congress, to distressed farmers for payment of their debts and mortgages and permitting them to hold on to their farms by giving them a moratorium for some years and accepting token payments, which will permit many of our farmers to better themselves.

I am sure, after having associated with my colleagues in this great session, that no group of men were ever more concerned about the welfare of all the people, for everything that we thought to be wise was given most sympathetic consideration, and I believe that much valuable legislation was passed. Our Seventy-third Congress is now history. Time alone will tell whether or not we did the best. We tried. No matter what the opposition will have to say of us, we tried. Instead of inaction, we acted. Instead of believing that the laws of economics were like the laws of gravitation, we made an effort toward recovery. Compare

this with the record of the previous Congress and I am sure that we will have nothing to apologize for.

I must say, however, Mr. Speaker, that there are some parts of the recovery program that I am not in sympathy with. I leave it, though, to the judgment of others, firm in my convictions that later on we are going to change some things by either repeal or amendments. I am so glad to have the last message from our great President, in which he gives us a social program to think about during our vacation, and I endorse what he wants us to think about and am most hopeful that in the next Congress we can enact laws to take care of the old folks, the unemployed, and correct much of the bad housing conditions prevalent in the Nation.

We simply dare not think of saying to men and women that because they are over a certain age there is to be no more employment in the plants of the Nation for them. In God's name, Mr. Speaker, what are we to do with these? If denied an opportunity to work, what is to become of them? Surely not the poorhouse or the county home? I say again, God forbid. If we are not going to permit them to work, then we must take care of them some other way. I am so glad that our great Democratic Party is pledged to a program to take care of these, and I want to join with all in subscribing to this great program which will lead to social justice.

We have a great Nation, and we are destined to even greater accomplishments, Mr. Speaker, if we think of all our people. The Democratic Party must always be a party for the masses. If we prove otherwise, we are doomed to die.

But die we will not, for our great heroes of the past will have their spirits guide us in doing the things that are best. Our proud history is that in every great crisis in this Nation our party has been called to correct evils that grew up. It is not a pleasant experience to rebuild anything, for the disappointments and the obstacles one has to overcome are great. We do have a great host of our people who want the same conditions to prevail, the same privileges granted to them that they enjoyed in the past and which is responsible for our present economic ills.

They still live in the past and will try to hold on to those special privileges, but under the guidance of a leadership that we need not be ashamed of, Franklin D. Roosevelt, and the support of loyal men and women everywhere, we shall emerge from this depression of economic experience a better and a wiser people; and when historians shall say anything about me, I hope it will be said that I tried, that I gave the best that was in me, that I never failed to consider the people I represented, with but the hope of making their lot a happier one and their joys more complete.

#### UNEMPLOYMENT AND OLD-AGE INSURANCE

Mr. CELLER. Mr. Speaker, up to comparatively recent years, no wide-spread demand has manifested itself in this country for any form of organized attack upon unemployment or financial provision for security in old age. It was always assumed that these matters lie within the province of the individual and the family. Each individual, supposedly unhampered by class restriction, by tradition, or by inequality of opportunity, has been free to develop his own abilities and to achieve success through the exercise of individual initiative.

It was consequently a corollary to this alleged individual freedom, that each member of society was regarded as responsible for only his own welfare; and while it is of course true that public support has been extended in such cases where physical or mental handicaps have made it impossible for the individual to properly care for himself, nevertheless it was always expected that every normal person would so provide for himself and his family that neither he nor his immediate relatives would at any time become charges upon the public.

Times, however, as well as conditions have radically changed, and as a result these former conceptions of opportunity and individual responsibility are no longer held tenable. In any event, the finer and the truer social outlook is the one which says "I am responsible for my brethren."

The old doctrine of laissez faire and rugged individualism have been happily superseded by the spirit of the new deal. In the words of our great leader, Franklin Delano Roosevelt, in his message to Congress, June 8, "security against the hazards and vicissitudes of life" is one of the basic duties of our Government. He said further:

Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established among other things "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

Social and unemployment insurance is not an untried experiment. States, industries, and many of the nations of the civilized world have endeavored in one fashion or another to provide insurance against the greatest disturbing factors in life, the security of one's livelihood during one's active years and assurances of support during one's declining years.

Bearing in mind all that I have said heretofore, I introduced on April 11, 1934, H.R. 9069, "to provide for the establishment of unemployment and social insurance, and for other purposes." I set forth herewith in full the provisions of my bill.

[H.R. 9069, 73d Cong., 2d sess.]

A bill to provide for the establishment of unemployment and social insurance, and for other purposes

*Be it enacted, etc.,* That this act shall be known by the title "The Workers' Unemployment and Social Insurance Act."

Sec. 2. The Secretary of Labor is hereby authorized and directed to provide for the immediate establishment of a system of unemployment and social insurance for the purpose of providing insurance for all workers and farmers unemployed through no fault of their own in amounts equal to average local wages. Such insurance shall be administered by workers and farmers and controlled by them under rules and regulations prescribed by the Secretary of Labor in conformity with the purposes and provisions of this act, through unemployment insurance commissions composed of the rank-and-file members of workers' and farmers' organizations. Funds for such insurance shall hereafter be provided at the expense of the Government and of employers, and it is the sense of Congress that funds to be raised by the Government shall be secured by taxing inheritance and gifts, and by taxing individual and corporation incomes of \$5,000 per year and over. No tax or contribution in any form shall be levied on workers for the purposes of this act. In no case shall the unemployment insurance be less than \$10 per week plus \$3 for each dependent.

Sec. 3. The Secretary of Labor is further authorized and directed to provide for the establishment of other forms of social insurance in like amounts and governed by the conditions set forth in section 1 of this act for the purpose of paying workers and farmers insurance for loss of wages because of part-time work, sickness, accident, old age, or maternity.

Sec. 4. The benefits of this act shall be extended to workers and farmers without discrimination because of age, sex, race, or color, religious or political opinion or affiliation, whether they be industrial, agricultural, domestic, or professional workers, for all time lost. No worker shall be disqualified for the benefits of this act because of refusal to work in place of strikers, at less than normal or trade-union rates, under unsafe or unsanitary conditions, or where hours are longer than the prevailing union standards at the particular trade and locality, or at any unreasonable distance from home.

As will be noted from a careful study of the provisions of the bill, the establishment of such unemployment and social insurance is made national in scope. In this regard, of course, there should be a maximum of cooperation between the States and the Federal Government.

The enactment of this legislation into law will, I feel, do much toward giving to every individual the right which belongs to everyone—provision against the dread of unemployment and the fear of a financially insecure old age. This, ultimately, will give to every citizen a true measure of genuine security which in turn will result in more wide-spread prosperity and happiness.

It must be remembered that better knowledge of the human body and the great progress of medical science, the highly successful powers of healing on the part of doctors and surgeons, the excellent public-health services of our municipalities, States, and Government all have contributed to make life longer. During the past few decades the length of human life has greatly increased. This advance, however, has carried with it great handicaps and disadvantages.

Although life may be lengthened, it does not follow that one's usefulness and ability to make a living are increased. Old age has always brought its sorrows. Lengthening of old age increases our travail. Well does the Bible say that—

The days of our years are threescore years and ten; and if by reason of strength they be fourscore years, yet is their strength labor and sorrow; for it is soon cut off and we fly away.

It is incumbent upon us in this modern world that has made possible the lengthening of one's shadows in the twilight of life, to assuage this labor and sorrow. We must make old age more bearable. Few people can work laboriously or hard in old age. We must therefore care for the aged and make their declining years comfortable and happy. They cannot at that time of life be the drawers of water and the hewers of stone. Others must fetch and carry for them. We must provide for old-age insurance. We must so arrange that contributions be made by all, while they are young and able-bodied and capable of working, to a common fund which shall be used to succor and relieve and help the feeble and weak during the sunset of their lives.

I shall introduce a bill during the next Congress providing for legislation to cover these purposes, along with the reintroduction of the aforementioned unemployment insurance bill.

President Roosevelt's far-reaching, far-seeing plans for old-age insurance are quite in contradiction to the old Spartan method of treating the aged. You may recall that in ancient Sparta, potential social dependents were practically eliminated by exposing them to the elements. Similar practices have been adopted by other primitive peoples. This was done primarily to conserve their scanty resources for the able-bodied and self-supporting members of the tribe. As civilization advanced, these drastic methods of dealing with the problem were abandoned. No remedial measures were applied, however, and those unfortunates who lacked family support were forced to turn to begging as a means of livelihood or in other sad ways throw themselves upon the mercies of the populace.

Today, however, in almost every civilized country, there has developed a sense of social responsibility toward dependents which has resulted in provision for their support either by private charity or by governmental agency. In this age of modernization, we have a superabundance of that which nourishes and clothes the body. We should, therefore, be well able to protect, clothe, and feed the aged. There can no longer be any possible reason for the neglect of the old or for the destruction of the old as in the case of primitive peoples. The Spartan way is indeed a far cry from the new deal's high-reaching attitude toward the weak, the aged, and the feeble.

By the enactment of such provisions for the aged and the aforementioned measure for the establishment of unemployment and social insurance, we will, I feel, proceed far in the direction of a true utopian society.

#### THE PRESIDENT'S GOLD POLICY HAS WORKED

Mr. PETTENGILL. Mr. Speaker, when the history of these stirring times is finally written, it is my judgment that the greatest praise will be given to the President's monetary program. The chief factor in our recovery has been the suspension of specie payments in the spring of 1933 and subsequent revaluation of the gold dollar. The sheer audacity and courage of the President's action has been matched only by its wisdom.

The program was designed to raise prices, and it has raised prices. It was intended to save America from universal bankruptcy and repudiation, and it has done so. It was intended to prevent intolerable strains on the social structure, and it has prevented them. For the salvaging by creditors and debtors of some permanent values from the avalanche of deflation of the Hoover administration, the credit must chiefly go to this program. It was here that the road forked between recovery and revolution. There is no question about it.

#### FORKS OF THE ROAD

The Tories of finance are confounded by the figures in their own counting rooms. Possibly the most consistent

critic of the administration is the Chicago Tribune. In its issue of June 20 the Tribune published a chart under the heading "Trend of American Commodity Prices Since the Opening of 1933." It shows the forks of the road on the date the President suspended gold payments abroad as well as at home—April 19, 1933.

One road is called "Average Commodity Prices in Terms of Current Dollars Reported by the United States Bureau of Labor Statistics." The traveler along that road has moved up grade 24 percent.

The other road is called "Commodity Prices in Terms of Old Gold Dollars." If we had traveled that road we would have gone down grade 29 percent.

The upper road shows us where we are with Roosevelt, climbing out of the depression. The lower road shows us where we would have been with Hoover—sliding further into the valley of deflation, repudiation, riot, civil commotion, possible revolution.

The financial page of the Tribune tells its editorial page that it is false to the fact.

What did the gold policy mean for farm products? Within a year the price of wool had advanced 176 percent, oats 143 percent, barley 138 percent, rye 136 percent, corn 130 percent, wheat 111 percent, potatoes 106 percent, cotton 84 percent, flaxseed 78 percent, beans 74 percent, sweet-potatoes 59 percent, apples 37 percent, lambs 37 percent.

Taking all farm products, and considering the country as a whole, the exchange value of farm products in terms of things that farmers buy advanced 20 percent last year. The Department of Agriculture index of purchasing power rose from 50 in January 1933 to 60 in January 1934, and is approximately at the latter figure now.

The farmers of the country profited almost immediately by the gold policy. Their income has risen and their property values have improved in many sections.

But it helped the city people also.

The total value of all American stocks listed on the New York Stock Exchange increased 85 percent during the year ending March 1, 1934. All American bonds, except Government, advanced 28 percent. The total value of all American securities, both stocks and bonds, except Government, listed on the New York Stock Exchange advanced 65 percent. This advance restored to solvency hundreds of banks and millions of citizens and put them in a position to proceed in business.

#### RESTORED PURCHASING POWER

I have quoted the foregoing paragraph from the leading article in American Agriculturist of May 26, signed by Frank E. Gannett, the publisher. Mr. Gannett, who is also the owner of one of the most influential chains of daily newspapers in the United States, challenges any who say the gold policy has not worked. Of the tremendous rise in farm prices and farmers' purchasing power Mr. Gannett says:

This increase in the value of their personal property restored hope to the farmers of the United States and put them in a position to buy the goods they most badly needed and begin to pay on their debts. From this restored farmer purchasing power came the chief support for business recovery.

The administration has pulled many other levers, it is true. But the money lever is the main one. As to the others there is less certainty of a demonstrated result. As to them more time must be given to prove their permanent worth. I do not now attempt to appraise them. It is, however, worth noting that England and Australia, for example, are on the way out without using any emergency measures like N.R.A. or A.A.A. But they did revalue their currencies. They raised their price of gold. And this indicates that the money lever is the most powerful.

Archimedes said that with a lever long enough he could move the world. Roosevelt is the modern Archimedes. By raising the United States price of gold, for the first time in a hundred years, he has moved America out of the bog of depression onto the firm foundations of recovery.

If the program, thus far, were to be criticized with some claim of justice, it would not be that it has gone so far from orthodox gold theory, but that it has not gone far enough. Personally, I am inclined to think the President in January

should have gone to the very maximum authorized by Congress and repriced gold at \$41.34 an ounce, instead of stopping at \$35. The difference would have been an extra 18 percent in the improving price level of basic commodities. He may yet do so; or Congress when it reconvenes in January may direct that to be done.

#### NO LONGER A SCARECROW

If gold is further repriced it should cause no alarm. We have not yet repriced gold as far as most countries have done. The Ogden Millses of the Nation have raised so many scarecrows without teeth that we may face another without fear. All of their terrible prophesies of the awful results to follow if we "tampered with gold" are now "one with Nineveh and Tyre." Our gold policy has restored confidence. We lost our confidence when we followed Mills and Hoover. We regained it when Roosevelt did what they said should not be done.

That something had to be done on March 4, 1933, is manifest. Deflation had to be stopped. The price level had to be restored so that taxes, interest, bond issues, mortgages, and other debts, rent, freight, and other billions of fixed obligations and fixed charges could be hoped to be paid.

That what was done was the best thing to have done is proven by the results.

For the country as a whole, what the farmer has received for his products has gone up faster than other commodities. To the extent that this is true, and it is particularly noticeable in the case of cotton, wheat, tobacco, and wool, the previous disparity between agriculture and industry has been lessened. It is, however, unfortunately true that many farm crops—dairy products, for example—have not moved forward with the average of all farm commodities.

It is important to close the gap between agriculture and industry, not only as a matter of simple social justice to our farmers who, as a class, have suffered deflation the longest, but also for industry itself. The farmer must be able to buy in the city in order that the dole lines of the cities may grow shorter, and, pray God, shortly disappear entirely.

The economists describe this condition as "economic unbalance" or "disparity." I think I know what they mean, but it looks simple to me when I think of a place to play baseball or "three old cat." The game requires a level surface, where everyone can throw the ball to each other. In the big leagues they work a long time to level off the diamond. A level field in baseball is what a balanced price structure is in economics.

The first baseman is the farmer. The second baseman is the wage earner, let us say. At third is the manufacturer. They exchange goods—throw the ball—to each other, and the game can go on, day after day.

But suppose there is a cave-in around first base. The surface sinks 10 feet. The first baseman can no longer throw the ball, or catch it. The game has to stop until the ground around the sunken base is filled in. Or it could go on if the whole diamond fell uniformly.

The President has been trying, with success, to relevel our economic baseball diamond.

#### PRICE PRINCIPLES EXPLAINED

In order to understand why this can be done by raising the price of gold, it is necessary to understand a few simple principles.

Without going into any long explanation, the facts can be stated very simply that when the nations went to war in 1914, they largely abandoned the gold standard and ceased to bid actively for the world's stock of gold. Throughout the world, then, gold tended to become less valuable, and prices of commodities rose. Indeed, they rose to almost incredible heights.

Then came the reverse process. After the war the countries of the world began to return to the gold standard, completing this readjustment by 1928. They had to bid for gold to build up their monetary stocks.

The world's annual production of gold reached its all-time peak of 22,758,000 ounces in 1915, then fell, and for the 10 years 1918-27 was 40,586,000 ounces (\$838,912,620) less than the previous decade, with a low of 15,452,000 ounces in 1922.

Earlier falling off of gold production synchronized with the long period of falling prices and hard times in this country, culminating with the panic of the early nineties. Then gold production increased rapidly, due to discoveries in the Klondike and South Africa, and invention of the cyanide process. This outpouring of gold was Mother Nature's answer to the demand of Bryan in 1896 for more and cheaper metallic money.

For 85 years, with the exception of only one 5-year period, commodity prices fell or rose with the increase or decrease from the gold mines. Production figures, synchronizing roughly with historical facts of good and bad times within our knowledge, lend support to the theory that gold having become scarce, and therefore dear, accounts in part at least for the world collapse of the price structure in recent years.

Within a year after France went back on gold in 1928 the world panic was on. Gold began to increase in value because of increased demand. To express it the other way around, commodity prices began to fall.

It was this crash in prices which ushered in the depression. That is the first and main point to get straight. This terrible time which we speak of as the "great depression" has been first and last a phenomenon of maladjustment in prices and values.

#### CAVE-IN AT FIRST BASE!

When one of these great crashes in commodity prices occurs, there is a certain train of events which always follows. In the first place, prices of raw materials and primary products such as wheat, corn, oats, cotton, wool, copper, rubber, and so on, go down first and farthest. Prices of finished and processed goods which have a large element of fixed costs in them resist the decline; many of them do not go down at all or only after a number of years. So you have the situation of this abnormal gulf opened between the position of all producers of raw materials and the industrial groups which transport, manufacture, and distribute goods and services. That is how our first base caved in.

With virtual prostration of the producing groups everywhere, trade goes stagnant. This of course means unemployment, which aggravates the whole situation by curtailing consumption. And all this picture of dislocated prices and production we call by the name of "depression." It is all a direct result of something that has upset the vital monetary factor, which is like the governor of an engine, holding all these things in balance.

One of the most serious consequences of this situation is that there remains standing up in the air a veritable peak of debts, high taxes, high transportation charges, high interest rates, and a host of other inflexible prices, costs, and charges which have been built up to the high level and which do not decline along with the flexible commodity prices. So long as you have these things so out of their normal adjustment, that is, so long as you have prices of basic commodities way down and these other things—debts, taxes, and so on—way up, business cannot go forward, production cannot go forward, the ball game is stopped.

President Roosevelt took command when we were in the midst of the most acute deflation in history. It was not caused by overproduction, nor primarily by speculation, nor by an act of God. It was and is a monetary malady. The trouble was caused by this disturbance of the all-important medium of exchange—gold.

There are just two ways to treat this malady. President Roosevelt knew it. One is to reduce inflexible prices—debts, taxes, wages, services, interest rates, and so on—down to the new level of low commodity prices. The other alternative is to raise the prices of commodities back up to a level where they are again in some kind of reasonable balance with the inflexible portion of the price structure.

In other words, what we must have is somewhere near a level diamond, so that everybody can again play ball.

Mr. Hoover and Mr. Mills tried to adhere to the orthodox procedure of bankruptcy, foreclosure, default, and the various forms of scaling down debts and charges to the lowered commodity price level. The country had reached the stage of moratoriums, riots, armed resistance to foreclosure sales, strikes, bonus marchers, and proposals for very



radical legislation. Finally it had reached the stage of a complete break-down in its banking machinery. When President Roosevelt took office the country was on the verge of chaos. It could not go on.

The reasonable thing to do was what 33 other countries had already done—suspend the gold standard and ease this terrible pressure which had steadily been making gold so valuable that our people could no longer exchange their goods and services for gold, or its money equivalent, on a living basis.

#### WHY 11-CENT COTTON?

To understand what has happened, let us take as an example something we wear and handle every day, such as cotton.

If we had no money, but owned some wheat or corn or copper or scrap steel, and traded them for a bale of cotton, we would find that cotton is today no more nor less valuable, in trade, than it was 6 or 7 years ago.

But try trading the bale of cotton for gold, the world's measure of value, and we discover the following facts:

In February 1929 a bale of cotton brought, in any market in the world, exclusive of freight, insurance, and tariff duties, approximately 5 ounces of gold. At \$20 an ounce for gold, this meant \$100 a bale or 20 cents a pound for cotton.

By February 1933 the same bale was worth 1½ ounces. With gold at \$20, this meant \$30 a bale, or 6 cents a pound for cotton.

Today the bale of cotton still exchanges anywhere in the world for approximately 1½ ounces of gold, or the dollars, francs, pounds, pesos, yen, and so forth, into which the gold can be converted. With gold at \$35 instead of \$20 an ounce, the cotton brings \$52.50 a bale or 11 cents a pound.

Why? Because, and only because, President Roosevelt raised our price of gold from \$20 to \$35 an ounce, so that the 1½ ounces of gold bring the seller of cotton more dollars. The value of cotton, measured in gold, has not gone up, but the price of cotton, measured in dollars, has gone up—nearly double.

The same thing has happened with other basic commodities. From February 1933 to February 1934 the price of gold was advanced 69 percent, and the average dollar price of the 30 important basic commodities included in the New York Journal of Commerce wholesale price index rose 67 percent.

These commodities are wheat, corn, oats, rye, barley, flour, beef, pork, lard, eggs, butter, cheese, sugar, coffee, cocoa, cotton, wool, silk, burlap, print cloth, copper, zinc, lead, tin, silver, hides, rubber, linseed oil, turpentine, and petroleum. Some of these have advanced more, others less. But the average increase for the group, as stated, was 67 percent against the increase in the price of gold of 69 percent.

What more will it take to satisfy the critics?

#### SPONSORS ARE PLEASED

If the designers of a fire engine said it would lift a stream of water 69 feet, and it actually lifted the stream 67 feet, you would say that the experiment was a success. So would I.

Basic commodities, such as wheat, wool, cotton, and so forth, go down fastest, and farthest, on the decline. They rebound fastest on the rise. Following them more slowly are commodities, raw materials, and manufactured goods into which much labor enters; then follow houses, buildings, rents, real estate, and so forth.

That process of price restoration is going on now. Because it is going on, we see daylight ahead.

The farm organization leaders and the industrialists with whom they cooperate as the "Committee for the Nation" have consistently supported President Roosevelt in taking this courageous step. In a recent bulletin the committee says:

The gold-pricing or dollar-revaluation program, so far as it has been permitted to be effective, has fully justified the predictions of its sponsors. It is the dynamic force that has lifted us thus far out of depression.

The vitalizing effect of the gold policy is well understood by the farm organizations. Through their official journals and through such publications as *Prairie Farmer*, *Poe's Pro-*

*gressive Farmer*, *American Agriculturist*, and so forth, the rural population have a clearer conception of the importance of the money problem than many big-city bankers.

A farmer's products, mostly basic commodities, exchange for gold or for paper money or bank-credit money which in turn is exchanged directly or indirectly for gold. If President Roosevelt had heeded the warnings of Mr. Hoover and Mr. Mills and kept the gold ounce legally worth only \$20.67, farmers and other producers would be selling their commodities at the Chicago Tribune's "old gold dollar" bankruptcy prices. They would not be getting enough dollars to live on, let alone pay taxes and interest. They would be sunk so deep that they couldn't see to throw the ball to second base.

When the farmer receives \$35 instead of \$20 for each gold-ounce's worth of crops and animals, he can begin to lift his head out of the depression around first base.

The difference for the farmer between gold at \$20.67 and \$35 or \$41.34 an ounce is the difference between insolvency and having a surplus to buy an Oliver plow, a Studebaker car, O'Brien's paint, and other things he needs.

And it means that farmers can buy 10,000 other things translated into what is grown and made in every congressional district in America. It means whether the game goes on or stops.

#### ONLY WAY TO RECOVERY

As Walter Lippman says:

There is no other way that recovery can take place. Trade is an exchange of goods. If some products fall violently in price, and others do not, the exchange cannot take place. To it (rebuilding the price structure) we owe what recovery we have achieved.

I am not prepared to say the gold policy has been the only cause of rebuilding the price structure. I am certain, however, that it has been the chief cause.

Those who say the monetary policy of the administration is a fantastically novel and dangerous "experiment" simply admit their ignorance of the facts.

Confronted by the panic caused by a wild scramble for gold, and in the absence of new Klondikes or King Solomon mines, nearly every nation in the world has either formally repriced the gold base of its currency by statute, or has permitted its currency to find its natural level in the trade channels of the world. We have done the same.

On June 7, 1934, the following increases in the price of gold were in effect:

	Percent above former price
United States.....	69
Canada.....	67
England.....	61
South Africa.....	61
Sweden.....	73
Norway.....	77
Finland.....	88
Denmark.....	99
New Zealand.....	101
Australia.....	102
Argentina.....	110
Japan.....	178

France, Belgium, and Italy are several hundred percent above pre-war. Only two tiny nations remain on their pre-war gold currencies, Netherlands and Switzerland.

Warren, of Cornell, one of the President's advisers, states that for a hundred years the world's production of physical goods, wheat, steel, rubber, coffee, copper, and so forth, has been increasing about 3.15 percent a year. He, Gustav Cassel (the Swedish economist), and others argue that if price levels are to be stable, gold production available for monetary use must keep pace with total production of all commodities, because in passing from producer to consumer the world's goods move through what might be called a "gold door." If that door is too narrow, congestion sets in like a crowd at a theater door, and we see the paradox of a panic of plenty, starvation in the midst of superabundance, production without consumption.

#### EQUIVALENT TO NEW MINES

Warren states that gold production has not kept pace with commodity production. In other words, the money

work of the world has increased faster than the gold money of the world. Warren states that in order to keep pace with business, total gold production should be around 32,000,000 ounces annually, or 50 percent greater than even peak production has actually been.

If the world had had this production, it could have gone on with gold at the old statutory prices—the United States at \$20.67 an ounce, England at 84s. 9 $\frac{3}{4}$ d. an ounce, and so forth.

In the absence of increased production we give the gold we have an increased dollar price by statute, or Presidential proclamation.

That is the underlying theory of the President's gold policy. By a different method we obtain a result, in dollars, that is equivalent to discovering new gold fields and keeping gold at the old price.

Some orthodox economists and bankers still say that "stabilization" is necessary to a return of confidence. Do they mean stabilization in foreign exchange value, or in domestic purchasing power?

When the dollar stabilized in international exchange, where was the confidence? With a stabilized dollar—stable as to gold content but unstable in purchasing power—we came to the brink of economic and social collapse. The longest dole lines America ever knew came while our dollar was exchangeable for 23.22 grains of gold. That fact cannot be erased by talk today of "crack pots" and "baloney dollars."

What have the critics had to offer in the four years preceding Roosevelt that is really constructive? It is worth noting perhaps that the big bankers who clamor for hard money were the issuers of billions of soft securities. If they had all been honest in what they sold the public, more attention would be paid to their views of what is honest money.

We had a credit inflation before October 1929, but the bankers got 15- to 20-percent call-money interest for the credit. So it makes a difference whether you have inflation by use of credit or fundamental money.

On the international gold standard we sacrificed internal stability for stable exchanges for foreign trade. Our foreign trade, while important, has been running not more than 8 or 10 percent of our total business. When our dollar is tied to foreign currencies it is affected, both for foreign and domestic business, by foreign influences which control the foreign currencies to which we are tied. These influences include, among many others, the effect of speculating in foreign exchange. The question therefore is whether we want to stabilize our domestic business of about 90 percent and let our 10-percent foreign trade find its own means of settlement, or vice versa. The question is, Shall the 10-percent tail wag the 90-percent dog, or shall the dog wag his own tail?

#### GOLD NEVER IS STABLE

Some people still shake their heads and say "We cannot enter into time contracts unless we know the future value of money." The answer is that no time contracts were entered into while deflation was going on. Now that reflation is going on, people are anxious to take advantage of the rising price level, buying today and selling at a better price next month or in 6 months. Within limits, periods of rising prices are always periods of prosperity and active business.

These people also labor under the money illusion that when gold is given a certain price by statute, its value in exchange for other commodities is also fixed. This is one of the oldest superstitions in the world. They assume that the gold dollar is an unchangeable yardstick of value by which future contracts may be measured.

But gold is a commodity the same as coal. And the supply of and demand for gold rise and fall the same as the supply of and demand for gold rise and fall the same as the of gold therefore depends upon the supply of and demand existing for both commodities.

The supply and demand for coal may remain constant yet the price of coal will change with the demand and supply of

gold, and vice versa. An ounce of gold can no more remain constant in value than a ton of coal.

When gold becomes plentiful, as it did with the Klondike and South African discoveries after 1896, it becomes cheap, and prices of other commodities rise. When gold becomes scarce, or the demand for it increases, as it has in recent years, it becomes dear, and the gold price of commodities falls; that is, you will exchange more bushels of potatoes for the scarce ounce of gold or its equivalent in dollars, and therefore the price of each bushel of potatoes falls so long as the ounce of gold is not divided into more dollars.

If a ton of coal or bushel of wheat or a pound of tobacco or a beaver skin were made the unit of value we could see readily enough how that unit would change in value on account of changes affecting the unit itself. But because an ounce of gold has been given a fixed statutory price for nearly a hundred years, we have come to believe that wheat and coal and tobacco and beaver skins rise and fall, but gold does not.

The changing price level is another name for inflation and deflation—surely the worst disease outside of war that affects the social body. What misery lies in its wake—foreclosures, bankruptcies, tax sales, suicide, revolution! Seventy percent of bank failures are probably due to deflation—fixed dollar obligations as against depreciating assets. Deflation destroys debtors and gives their properties to their creditors, who are themselves destroyed if deflation goes too far. Inflation enriches debtors and wipes out the savings of thrift. In the process of the economic cycle billions of dollars of hard-earned values change from one class to another, both equally helpless in this maelstrom of finance.

#### TYPICAL CASE OF DEFLATION

After the experience of the last few years it is scarcely necessary to speak of the evils of deflation. But let us make a simple case of rising dollars and falling goods. A farmer, in Olive Township, let us say, grows wheat. His average annual crop is 200 bushels. He borrows \$1,000 at 6 percent in 1920 to build a barn. At that time wheat is, say, \$2 a bushel. His taxes are, say, \$100 a year. When the debt is contracted 30 bushels of wheat will pay his interest and 50 bushels will pay his taxes. That leaves 120 bushels for which he gets \$240, which he spends at the store. Because the farmer spends, the merchant employs help and sends orders to the factory to replenish his stock, and the factory employs men who in turn buy flour from the mill which buys the farmer's wheat. With a stable price level that process may go on forever.

But wheat goes to \$1 a bushel. It now takes 60 bushels to pay the interest and 100 bushels to pay the taxes. That leaves only 40 bushels for which the farmer gets only \$40 to spend at the store in place of \$240. Because he spends \$200 less the merchant reduces his help; orders to the factories fall off; factory wages are cut; the wage earners buy less flour; the farmer's market is reduced. Demand for wheat drops and wheat goes to 50 cents a bushel. It now takes the entire crop to pay the taxes. There is nothing left to pay the interest. And nothing whatever with which to buy goods.

The mortgage holder sends foreclosure notices and begins to reduce his own buying. The merchant gets no trade; he negotiates with his landlord for a reduction in rent; pressed by the bank, he sacrifices his inventories for ready cash and the avalanche of descending values is on.

The debt of the farmer, which could have been paid originally with 500 bushels of wheat, must now be paid with 2,000 bushels or not at all. Caught in the dilemma of falling values and faced with the imperative necessity of meeting fixed obligations or losing the old homestead, the farmer grows more and more wheat. But this increases the supply and still further drives prices down. This is the vicious cycle of deflation.

As far as the farmer is concerned, his promissory note has been forced upward fourfold. There has been an invisible increment of his debt burden by four times. He begins to think there is something wrong with gold; he cries for

silver or greenbacks; and, gentlemen, you cannot blame him. He has done everything. He has been sober, industrious, frugal, thrifty, honest. It has been to no avail.

Meantime, factory workers are on the dole line and talking of a new order of things. Unemployment is the mother of revolutions. The bank is not able to collect from the merchant; it closes its doors and the pestilence spreads like the tentacles of a cancer. Taxes are not paid and schools close. Churches and hospitals face foreclosure as well as farms and factories. Social as well as financial values are destroyed.

#### OBJECTIVE AN HONEST DOLLAR

It is considerations such as these which led Sir Josiah Stamp, director of the Bank of England and chairman of one of England's largest railways, to say:

Money, as a physical medium of exchange, made a diversified civilization possible \* \* \* and yet it is money, in its mechanical rather than its spiritual effects, which may well, having brought us to the present level, actually destroy society.

It was facts like these which led 35 nations at the Economic Conference at Geneva in 1922 to adopt unanimously a resolution, in part as follows:

The essential requisite for the economic reconstruction of Europe is the achievement by each country of stability in the value of its currency,

and suggested steps

to avoid those wide fluctuations in the purchasing power of gold which might otherwise result.

This is what the President is trying to accomplish for America. He wants to stabilize the commodity-buying and debt-paying power of the American dollar. He wants an honest dollar—honest to both creditor and debtor. He is on the right track. Let us follow him and support him.

#### AMENDING RAILWAY ACT

Mr. LOZIER. Mr. Speaker, for several months the Committee on Interstate and Foreign Commerce considered bills to amend the Railway Labor Act so as to expedite settlement of disputes between carriers and their employees. Among the measures considered at great length was H.R. 9689, known as the "Rayburn bill", which was said to embody the views of Hon. Joseph B. Eastman, of the Interstate Commerce Commission, and who is now Federal Coordinator of Transportation, and many provisions of which were acceptable both to the carriers and railway labor organizations.

After extensive hearings and thorough investigation, the committee favorably reported as a substitute H.R. 9861, introduced by Representative CROSSER of Ohio, and which measure is believed to be an improvement over the Rayburn bill, as it eliminates certain objectionable features carried in H.R. 9689 and adds other progressive forward-looking provisions which put teeth in the law and make it workable and worth while.

In other words, the Crosser bill, H.R. 9861, represents the final and mature judgment of the Committee on Interstate and Foreign Commerce, and I am informed by members of the committee and by those authorized to speak for the employees that the new Crosser bill, H.R. 9861, is acceptable to the 21 standard railway labor organizations. From my study of this bill I am convinced that it is fair to labor and not unfair to carriers. For the welfare of both carriers and employees it is not only desirable and expedient but, in my opinion, absolutely necessary to establish a system for the peaceful settlement of disputes between railways and their employees. Strikes, lock outs, and other labor disturbances are economically wasteful and spell disaster to both the carriers and their employees. Both the carriers and their employees must make concessions for the public good in order to insure industrial peace in the transportation world and to promote the interest and welfare of both the railroads and their employees.

While this bill does not embody a perfect formula for the arbitrament of disputes between the carriers and their employees, it nevertheless strengthens the existing law, and its wise and sympathetic administration will, in my opinion, materially aid in preventing strikes and lockouts, creating

a better spirit between the carriers and their employees, and by encouraging the peaceful settlement of disputes promote the financial interest of both the employees and the carriers. The President has unequivocally stated that he favors this legislation, and I am supporting it, not simply because the President wants it, but also because I believe that it embodies a workable formula and sound public policy.

#### AGRICULTURAL ADJUSTMENT ADMINISTRATION

Mr. McGRATH. Mr. Speaker, let us be frank about this opposition to the Agricultural Adjustment Administration. No Member of this House, in my judgment, can honestly oppose the work of this splendid organization once he has made an intelligent investigation of what the Administration has been doing and is doing for the farmer. Critics have tried, by juggling figures, to make it appear that the farmer has received no actual benefits from the efforts of the Administration, notwithstanding the income of the farmers has been increased 39 percent in a little less than a year. We have heard much about the iniquities of the processing tax and the danger that lies in marketing agreements. Whence comes this opposition? Not from the farmers—the producers—nor yet from the consumer. It comes from just where we could expect it to come—from the so-called "processors and distributors"—the boys who have been engaged all these years in ruthlessly crushing the farmer and gouging the public. They are the ones who are making all the outcry against the A.A.A., who are yelling their heads off about regimentation and licensing everybody under the sun; they are the ones who have stirred up all this opposition in Congress; who have persuaded their hired men to try to put the Administration out of business.

Anyone who knows anything about farms or farming, anyone who has ever even made a casual investigation of agricultural history, knows that the one big problem the farmer has had to face and that the consumer has had to face is that of preventing an unreasonable spread between the producer and the consumer. Chester Davis, Administrator of the Adjustment Act, in a recent radio address, answering the attacks of Senator BYRD, of Virginia, made the statement that this opposition "brings to the surface the traditional conflict between the farmers, on the one hand, and the processors and distributors on the other." That is just the trouble; that is the genesis of all the opposition to the Agricultural Adjustment Administration. Senator BYRD and other opponents of the Administration have falsely charged that if certain amendments to the Agricultural Adjustment Act were adopted by the Congress every farmer in the country would have to take out a license. What ridiculous nonsense! Why, Mr. Speaker, the farmers are the ones who are most insistent upon the extension of marketing agreements over all crops. There is no better illustration of the benefits of marketing agreements both to the farmer and the consumer than what has happened out in California, where the farmers in the last year, under the first A.A.A. marketing agreements, have gained more than five and one-half millions of dollars. So satisfied are these Pacific coast farmers with these marketing agreements that they are planning this season to sell approximately 85 percent of their fruit crops under agreements.

It was in California that some of the first marketing agreements were negotiated. We all know that much of our canned fruits come from California. Back in 1929 and up until 1932 there was a steady decline in the farm values of all California's agricultural products until the total value in 1932 was only half what it was prior to 1929. Approximately 67 percent of California's agricultural income is derived from the sale of fruits, nuts, and vegetables. It does not take any knowledge of higher mathematics to demonstrate that with this largely reduced value of their products the California farmers were face to face with disaster. That was the situation the Agricultural Adjustment Administration found when it tackled this big problem of trying to restore prosperity to the farmer.

Let me give you a little history of what has happened in California. Mind you, California is the biggest producer of

specialty crops in the United States, and it was California that pioneered in the negotiation of voluntary proration programs. When the Federal Government came along under the Agricultural Adjustment Act, it gave these producers of specialty crops an opportunity to obtain through the centralizing powers of the Federal Government the development of regional and national programs. Now California's growers have asked marketing agreements for a majority of their fruits. These agreements or licenses were requested not only by groups of producers but also by processors and handlers of the fruits. Under these agreements or licenses every processor and handler is bound by the terms of the license, whether he is a signer of the agreement or not. These agreements, in the form of contracts between the Secretary of Agriculture and the parties concerned, are designed principally to increase prices to the producers.

In 1932 less than one-half of the peach crop of California was harvested, and the price paid for the harvested crop was about \$6.50 a ton—hardly more than it cost to pick and haul the peaches, and absolutely nothing was received for the unharvested crop left on the trees. The Agricultural Adjustment Administration went to work to remedy this situation. It found that enough no. 1 peaches would be available to pack 12,500,000 to 13,000,000 cases; it found that such a large quantity dumped on the market would result in such a low price to the grower as to ruin the industry. Therefore what could it do? It went to work and brought about an agreement to limit the pack to 10,000,000 cases. Each canner under the agreement was given an allotment to pack a certain number of cases, the pack being based on previous sales, potential sales, ability, and outstanding contractual commitments. The canners agreed to pay \$20 a ton for these no. 1 peaches, and, in addition, contributed to a surplus-control fund that was used in the purchase of no. 1 peaches which were surplus above the quantity needed in the packing of the 10,000,000 cases. For these unharvested peaches the grower was paid \$15 a ton out of the surplus-control fund. The difference in price was based on the harvesting expenses, which naturally were not incurred in the unharvested crop. This agreement became effective on August 17, 1933, and affected over 5,000 growers and 305,000 tons of fruit. The farm value for the 1933 crop was estimated at \$5,731,000, as compared with \$1,739,000 for 1932. Does it take any prophet or son of a prophet to understand that this increase in the California fruit farmers' income was due directly to the work of the Agricultural Adjustment Administration? It has been estimated that the benefits definitely accruing from this marketing agreement have been close to \$3,000,000, and this agreement was in effect only for the 1933 season.

In the latter part of September of last year the Agricultural Adjustment Administration effected an agreement for the growing of Tokay grapes, and it resulted in an increase of from 8 cents to 9 cents a package. The benefits derived from this single agreement reached a total of \$500,000. It was the same way with walnuts. At the beginning of 1933 the walnut industry was confronted by the problem of what to do with its big surplus, the 1933 supply having been one of the biggest in history, owing partly to an excessive carry-over from 1932. To meet this situation a marketing agreement was negotiated by the Agricultural Adjustment Administration to limit the supply of walnuts to be sold in the shell to the domestic and Canadian markets. Approximately 1,500 growers were affected, and the estimated benefit to the growers from this agreement in 1933 is placed at \$2,000,000.

Likewise with the olive growers, 4,300 of them having produced about 12,000 tons of olives. Under the agreement brought about by the Agricultural Adjustment Administration the olive growers, it is estimated, will profit to the extent of \$400,000.

Agreements for the marketing of citrus fruits, oranges, and grapefruit, affecting 20,000 growers in California and Arizona, will result in direct benefits of approximately \$8,000,000. In addition to those just mentioned, marketing agreements in California now in effect for fresh deciduous-tree fruits, dates, and raisins, the following industries have

requested agreements: Prunes, Gravenstein apples, and canning pears.

This is the story, in part, of the experience of California farmers in less than 1 year under the Agricultural Adjustment Administration with its marketing agreements.

Today marketing agreements and licenses are in effect or are pending in 44 States. These marketing agreements, or licenses, if you please, cover fluid milk and cream; tobacco, peanuts, and rice; California deciduous-tree fruits; California, Florida, and Texas citrus fruits; gum, turpentine, and gum resin; grapes, peaches, canned and fresh asparagus, olives, walnuts, and raisins.

In addition to the marketing agreements, supplemented by licenses, which cover 30 farm commodities in 32 States, the distribution of milk in 28 large cities is handled under license, the purpose of which is to establish and enforce payment of a satisfactory price to the milk producers. It has been estimated that the benefits to come to farmers by reason of these marketing agreements or licenses in the 1933-34 marketing season will be approximately \$30,000,000.

So pleased are the farmers, as well as a majority of the licensed distributors, with the first year's experience with these marketing agreements that they have in each case insisted that the Agricultural Adjustment Administration vigorously and promptly enforce all its agreements.

Why, Mr. Speaker, for my part I cannot understand how any reasonably intelligent Member of this body, in the light of what has already happened, in the face of the proved benefits that have come to the farmers through these marketing agreements, can honestly criticize or oppose what the Agricultural Adjustment Administration is trying to do for the farmers and for the people generally.

#### WHAT THE NEW DEAL MEANS TO THE FARMERS OF AMERICA

Mr. JONES. Mr. Speaker, I have been requested by a number of Members to present a statement to the House outlining briefly the farm program under the new administration. At the request of one of the Members I am making this address in question-and-answer form with the hope that this may prove more convenient for anyone who is interested.

#### QUESTIONS AND ANSWERS

Q. Were the prices of farm products satisfactory just before the beginning of the new-deal program?

A. The prices of farm products were the lowest and most unsatisfactory they had been in nearly half a century.

Q. What were conditions generally?

A. Banks were closing by the thousands. Mortgages were being foreclosed by the hundreds of thousands on the farms and in the towns and cities, and millions of blameless people were shuffling in the breadlines. The total farm indebtedness amounted to \$12,000,000,000. Interest and taxes were delinquent, and ruinous surpluses overhung the market.

Q. Did the new administration try to correct these conditions?

A. Yes.

Q. What measures adopted by the administration were intended primarily to relieve the desperate plight of the farmer?

A. The Agricultural Adjustment Act, the Farm Credit Act, the Crop Production Loan Act, the Cattle Purchase Act, the drought-relief measures, and others.

Q. Were the farmers consulted before the legislation was adopted?

A. Yes. Representatives of practically every major farm organization in America, as well as many individual farmers, were present when the principles of the legislation were agreed upon, and are consulted frequently in administering the program. It is truly a farmers' program.

Q. Have farm conditions improved since the enactment of these measures?

A. Very much.

Q. What is considered the proper basis for the farm purchasing power in the administration's efforts to increase farm prices?

A. The pre-war period of 1909 to 1914 is considered a normal period in which the prices received by the farmer for his products were at a proper ratio to the prices he had to pay for the products it was necessary for him to buy.

Q. At the beginning of the new administration, how did the prices received by the farmer, as related to the prices he had to pay, compare with this pre-war level?

A. The farmer was receiving only 50 percent as much as he received in pre-war times.

#### BETTER FARM PRICES

Q. What was the average price of wheat on the farm in December 1932?

A. Thirty-one cents per bushel.

Q. What is the average price of wheat on the farm at the present time?

A. Seventy-nine cents per bushel. For the first time over an extended period, domestic-wheat prices have been materially above world-wheat prices.

Q. Are there any other benefits the wheat farmer receives?

A. Yes. If he takes part in the adjustment program, he receives 28 cents per bushel on that part of his crop which is consumed in this country. This is in addition to what he sells his wheat for in the open market.

Q. What was the farmer receiving for corn in December 1932?

A. Nineteen cents per bushel.

Q. What is he receiving for corn today?

A. He is receiving 56 cents per bushel at present.

Q. What was the price received by the farmer for cotton in December 1932?

A. Five cents per pound.

Q. What price is the cotton farmer receiving today?

A. Eleven cents per pound.

Q. Are there any other benefits the cotton farmer receives?

A. Yes. He receives an additional 4½ cents per pound on that part of his cotton consumed in this country if he cooperates with the program.

Q. What was the price received by the farmer for hogs in December 1932?

A. The farmer received \$2.73 per hundred pounds. This was the lowest hog price in more than 50 years.

Q. What price is the farmer receiving for hogs today?

A. Over four dollars.

Q. What other benefits are received by the farmer who takes part in the hog program?

A. In addition to the increased price he receives an additional amount, which is about \$2.25 per hundred pounds, if he takes part in the hog program.

Q. What was the average price received by the farmer for milk products at the beginning of the new administration and what is he receiving today?

A. In March 1933 he received \$1.10 per hundred pounds. The latest figures show him now to be receiving \$1.47.

Q. What was the price which the farmer received for rice in December 1932 and what is he receiving today?

A. In December 1932 rice was bringing 40 cents per bushel; at the present time it is bringing 77 cents.

#### TOTAL BENEFIT PAYMENTS

Q. In addition to these increased prices, what has been the total amount of benefit payments received so far by farmers?

A. Up to June 1, 1934, the farmers of America had received over \$250,000,000.

Q. What will the farmers receive in benefit payments by the end of the present year?

A. It is estimated that they will receive probably \$750,000,000.

Q. How is this money to be repaid?

A. At present through a processing fee which is paid by the manufacturer or processor.

Q. Does this fee interfere with the sale of the farmers' commodities abroad?

A. No. The processing fee is not paid on that part of his products which is shipped into the world market, and there-

fore does not interfere in any way with the sale of his products outside of the United States.

Q. Does this fee materially increase the cost which the consumer pays?

A. Very slightly. The fee has increased the cost of bread only one-third of a cent per loaf, cotton work shirts only 3½ cents, overalls only 8¼ cents. At the same time, as a result of the farmer's increased ability to buy, thousands of new jobs have been created and people throughout the country have thus felt the benefits.

Q. Why is it necessary to pay these premiums to the farmers?

A. The producers of our major farm products cannot gain any substantial advantage from the general tariff policies of the United States. At the same time they must pay the additional increased cost of the supplies which they buy. The premiums are intended to adjust this difference and to place the farmer on an equality with industry.

#### FARM FINANCES

Q. How many farms were foreclosed per year during the years prior to the beginning of the new administration?

A. During the past 6 years there had been an average of approximately 140,000 foreclosures per year. For the year ending in March 1933, 39 out of every thousand farms were foreclosed.

Q. Were these foreclosures reduced during the first year after the new program went into effect?

A. Very materially—largely through the efforts of the Farm Credit Administration. Within a little more than a year since it was established the Farm Credit Administration has refinanced nearly a billion dollars in farm loans and is now refinancing them at the rate of more than a billion dollars per year. This organization's work has also stimulated some refinancing by other institutions.

Q. What is the Farm Credit Administration?

A. It is the new agency which undertakes to make available all types of credit needed by the farmer.

Q. Has this been done before?

A. This is the first time in the history of the world that a complete credit structure has been formed for agriculture separate and apart from the commercial credit structure.

Q. How many types of credit does it furnish?

A. Four. The Federal land banks make loans on land. The cooperative banks make loans to cooperatives for financing the marketing of their products. The Production Credit Associations furnish the current credit the farmer needs to operate. The intermediate credit banks are the discount banks which assist in financing the operations of both the Production Credit Associations and cooperative banks.

Q. What rate of interest do these institutions charge the farmer?

A. The land banks charge 4½ to 5½ percent; the cooperative banks from 3 to 5 percent; the Production Credit Associations from 5 to 6 percent.

Q. What is the average of the interest rates of these various institutions?

A. About 5 percent.

Q. Are the rates charged by these various institutions lower than the farmers had previously been paying?

A. Very much lower.

Q. What was the average interest rate paid by the farmer prior to the establishment of these institutions?

A. In many instances the rate actually paid has been above 10 percent, and one survey shows that farmers in certain sections have paid over 20-percent interest on cash loans.

Q. Is the Farm Credit Administration a permanent organization?

A. Yes. It is intended to form a sound and permanent agricultural credit structure and thus foster an independent agriculture.

#### SCALING DOWN OF DEBTS

Q. Is provision made for a scale-down of farm debts in cases where the obligations are greater than can be paid?

A. Yes. Creditors have voluntarily reduced the amount owed them by the borrowers in about 16 percent of the loans which have been refinanced by the commissioners and the Federal land banks. In cases where there were scale-downs, the average amount of reduction in each farmer's indebtedness was 26 percent.

Q. Has any effort been made to assist the farmer to secure satisfactory adjustments of his debts?

A. Yes. Governors in 42 States have appointed conciliation committees.

Q. Has any effort been made to prevent foreclosures?

A. Yes. Moratorium laws have been provided in 20 different States, and the Congress has amended the Bankruptcy Act so that in cases in which the farmer is bankrupt or unable to pay his debts he may secure a moratorium until a settlement may be had.

Q. Is it intended that these arrangements shall be permanent?

A. No. This bankruptcy measure applies only to existing indebtedness. It does not apply to indebtedness hereafter created.

Q. Why was it so limited?

A. It is realized that in the long run farm credit must be kept on a sound basis. Otherwise it will not be possible to have the essential long-range credit available. While in this kind of time it is necessary to clear debts, the farmer wants to pay his debts just the same as anyone else. He will take pride in doing so when conditions and the prices of his products make it possible.

Q. Has any other financial assistance been rendered distressed farmers?

A. Yes. Feed and supplies have been furnished in the extreme drought-stricken areas by relief agencies. Also crop-production loans have been made available for farmers who, because of bad conditions prevailing during the past 3 years, have been unable to obtain credit elsewhere. While this assistance is temporary, it has helped to save these farmers from a desperate situation.

Q. Is it claimed by the administration that these various acts are perfect in their operation?

A. Not at all. Constant effort is being made at all times to improve their operation and to improve conditions for the farmer.

Q. Is it the desire of those in charge of the administration to regiment the farmers?

A. No. This charge is sometimes made by those who favor the old order, which dictated the prices of the products which were sold to the farmer as well as the prices of the products which were bought from the farmer. The strange thing is that these same propagandists who are arguing in the farm sections that the farm program is not successful are at the same time making assertions in the cities to the effect that the cities pay the processing fee and that too large a percent of the proceeds is going into the farm States. Instead of regimenting, the Government only undertakes to furnish the vehicle through which the farmer may control his own business.

#### AN EXECUTIVE WHO UNDERSTANDS

Q. Has the President shown any interest in the farm program?

A. He has shown great interest; in fact, it is largely the program which he fashioned.

Q. Does he claim that it will cure all the farmer's troubles immediately?

A. No. He has repeatedly stated that he is determined that farm prices shall be restored, and that although some mistakes will be made, these will be corrected and the efforts continued until the balanced condition is gained and the purchasing power of the farmer restored.

Q. Has anything like this been tried before?

A. Many fairy stories have been told and rosy promises have been made, but this is the first time in many years that any actual results have been obtained for the farmer.

Q. Are these measures of a temporary or permanent nature?

A. Many of them are temporary, but such as prove wise and effective will probably be woven into the permanent program.

Q. Is the curtailment program intended to reduce our production of farm products to our domestic needs?

A. No. A continuing supply is essential and world markets are vital to the farmer as well as to the business man.

Q. What is the purpose of the curtailment program?

A. Its purpose is to reduce the overwhelming surplus which had hung over the market for years and had wrecked prices for the farmer. At the beginning of the program there was enough cotton in the carry-over to supply all of the needs of this country and the foreign demand for American cotton if we had not grown any cotton whatever in this country for a whole year.

Q. Was it intended to surrender the world market of our farm products?

A. No. It was intended that we should at all times produce all of these products which the world market would absorb. It is also realized that the search for new uses and new markets for our surplus commodities is an essential part of the long-range program.

Q. How, then, was the farmer to get the increased price for his commodities?

A. By the payment of the premiums or benefits on that part of his production which is consumed in this country.

#### THE MAIN PURPOSE

Q. What is the main purpose of the complete agricultural program?

A. To secure a better price level for the products of the farm. Satisfactory credit conditions are important. A scale-down of the amount of indebtedness is sometimes important for the purpose of clearing the decks. But the President has made it clear at all times that the main objective is a satisfactory price level for farm products, so that farm debts may be paid and a balanced condition for the entire country restored.

Q. What was the total amount received by the farmers of America for the products which they sold in the year prior to the beginning of the administration's adjustment program?

A. Three billion nine hundred and seventy-nine million dollars.

Q. What was the total amount received by American farmers for their products during the first year of the new administration?

A. Five billion five hundred and thirty million dollars, an increase of \$1,551,000,000—39 percent over the previous year.

Q. Does anyone who is interested wish to go back to the conditions which prevailed in the previous administration?

A. Let the farmers answer.

#### TOBACCO-TAX REDUCTION

Mr. UMSTEAD. Mr. Speaker, during the month of March 1934 a subcommittee of the Committee on Ways and Means of the House of Representatives conducted a hearing on the subject of tobacco taxes and tobacco products. On March 31, 1934, I appeared before said committee and made the following statement:

Mr. UMSTEAD. Mr. Chairman, near the conclusion of this patient and thorough hearing that you have conducted with reference to tobacco taxes, I appear for the purpose of stating that I am in favor of a tax reduction on manufactured cigarettes. I have heard some members of the committee several times this week ask questions with reference to the cultivation and production of tobacco. If you desire information as to the actual production of tobacco as it is produced in the piedmont section of North Carolina, I will gladly submit myself to any questions you may ask.

Mr. VINSON. I think it would be a good thing for this record if you would deal with that phase of it. Suppose you take it from the time it is planted through the various stages of its cultivation, growth, and marketing.

Mr. UMSTEAD. Mr. Chairman, I shall be glad to do so. It has been 18 years since I last produced or raised any tobacco. I may leave out, and no doubt will, many of the operations. I shall discuss this matter without notes. I was called away from this hearing this week to attend a funeral and have therefore been unable to present a prepared statement.

I was reared on a small tobacco farm in the northern part of Durham County, and my father reared and educated his family from the proceeds of his labor on a small tobacco farm. About 25 years ago it was stated in the geographies we studied that the finest tobacco in the world was produced in the Dutchville section of Granville County, N.C. This was about 12 miles from my home. That section of the State lies in what is called the "Old Bright Tobacco Belt." Mr. Chairman, in the wintertime the farmer cuts his wood, or his "flue wood", as we call it.

In February or March he selects the location of and burns his plant bed. That means that he piles wood on the ground selected for the bed, which usually contains from 60 to several hundred square yards, and burns the wood on top of the soil. He then digs up the soil and gets the ground in excellent condition; then it is enriched by fertilizer. When this is done he sows tobacco seed in the bed, and then after a while he covers the plant bed with cloth to protect the tender little plants which come up from the seed. When the plants get large enough he weeds the plant bed, which means that the farmer gets down on his knees and pulls the grass and weeds out of the bed in order that the tender little plants may grow. Frequently it is necessary to water these plant beds. When the plants in the bed are of the proper size the covering is taken off. A farmer may have one or any number of these plant beds, and the location of the beds has to be selected with great care.

From the time the bed is burned until the time the plants get large enough to be taken from the bed and transplanted or set out in the tobacco fields the farmer is going through the process of preparing his land for planting. This means plowing it, harrowing it, and getting the soil in as fine condition for the crop as possible. The fertilizer for the crop must be hauled by wagons or trucks from the nearest railway station to the farm. When the land is ready to prepare for the actual planting it is laid off in rows by running a furrow with a plow. The rows are from 3 to 3½ feet apart. The fertilizer is then hauled into the field and the farmer distributes the fertilizer (or sows it) along in the furrows above mentioned. Sometimes compost or manure is used with fertilizer. If manure is used it has to be dug out of the stables, chopped up, and hauled to the tobacco fields in a wagon or truck, and either scattered over the land or drilled in the furrows or rows. The fertilizer is then covered by bedding or ridging the land. After the land is bedded the farmer takes a hoe and chops and packs (or pats) the hills along the ridge of the bed about the same distance apart, which is usually approximately 3 feet.

The plants are then drawn from the beds, carried in baskets or wagons to the field and are dropped one by one beside the hills on the rows. The plants are usually dropped by children. The planter goes along the rows and plants the tobacco with tobacco pegs. If the weather is dry, the tobacco has to be watered when it is transplanted. The water is hauled in barrels from a creek or some water source; it is dipped up with buckets, poured in the barrels, and hauled to the tobacco field. It is then dipped out of the barrels with buckets and a small quantity poured alongside each tobacco plant by using a tin can. I know of no harder work than watering and planting tobacco. Under normal seasons and conditions it is a little over 3 months from the time the tobacco is planted until the time it is cured. In my section most of the tobacco is planted during the month of May, and most of it is cured during the month of August. Of course, the seasons affect this and there is some tobacco cured in July and some in September. From the time the tobacco is planted until the time it is cured there is always something to do to it. I will not undertake to go through all the varying phases as the crop is worked.

Mr. VINSON. I think it would be very interesting to the subcommittee, the full committee, as well as the people down in the Treasury, if you would describe those various steps and processes in the cultivation of tobacco. I think it might prove of value to the people in the Agricultural Department.

Mr. UMSTEAD. Mr. Chairman, I will endeavor to do as you request. As I stated before, the tobacco is planted in what we call a ridge or bed, and that ridge or bed has the fertilizer under it or in it. At no time in the cultivation of the crop is the said fertilizer disturbed in the bed. When the tobacco is first worked, its roots are just beginning to shoot out a little—it is a very tender plant. The first time it is plowed a part of the dirt is taken away from the plant; that is, the dirt is thrown away from the bed; then, the tobacco is worked with a hoe by first chopping away the grass and then by pulling fresh dirt up to the tender, small tobacco plants. This is called "weeding tobacco."

In the meantime it is necessary to replant the tobacco, that is to say, where a plant dies it must be replaced with another plant from the plant bed, and sometimes it has to be replanted several times before a good stand of tobacco is obtained. The extent to which the first plants live is determined by the quality of the plants, the seasons, and also by the prevalence of cutworms and other destroying influences. After the plant grows and gains strength, its roots extend down until they come in contact with the fertilizer. After it begins to grow the first process of taking the dirt away from the plant and away from the bed is reversed and the dirt turned back to the plant again. Frequently the tobacco is worked with a hoe after the dirt has been thrown back to the plant with a plow. The farmer then goes through succeeding processes of plowing the tobacco either with a regular plow, cultivator, or small harrow, always going up and down between the rows. Grass must be kept from between the rows and from between the hills to produce the best results. It is worked

at regular intervals until about the time it is topped, and then it is worked the last time, which last working is called "laying it by." All of this work is necessary for the plant in its growth and to keep away the weeds and grass. Please bear in mind that I am aware of the fact that the operations which I have undertaken to describe to you have undergone considerable change within the last few years. Fertilizer drills, tobacco planters, and other types of machinery are being extensively used now in certain sections.

Mr. VINSON. But there are still places where they do not.

Mr. UMSTEAD. There are still places where they do not use planters and other machinery. I say to you gentlemen that the little farmer is still doing the work on his farm with his hands. The farms in Piedmont, N.C., are small, with small fields or "patches." In the eastern part of my State the fields are large, containing frequently 50, 75, or 100 acres of tobacco in one field. By the way, in my section we refer to the size of a man's crop not in terms of acres but in terms of thousands of hills. About 4,000 hills represent an acre of land.

Mr. SHALLENBERGER. How many acres do you figure is the average for a family to take care of?

Mr. UMSTEAD. Governor, that would depend, of course, upon the size of the family or the number of people in the family who could work in the crop, the soil, and many other circumstances and conditions. It would be affected by the number of available mules and horses on the farm and the assistance obtainable at critical times in the production of the crop. In eastern North Carolina the land is easily cultivated, the fields are large and a family can cultivate much more tobacco than in Piedmont, N.C., where the fields are comparatively small and the land is rougher. It must be borne in mind that on the average small tobacco farm there are times when it is necessary for even the women and children to work in the crop and, as a matter of fact, this condition is widely prevalent throughout the tobacco-raising sections.

Mr. VINSON. You had gotten to the point where the tobacco crop was laid by.

Mr. UMSTEAD. When the tobacco crop has been worked the last time (or "laid by") the actual operation of tilling the soil is at an end; however, you are not through with the tobacco. It has to be topped, wormed, and suckered. By topping tobacco I mean breaking out or pinching out the top of the stalk in order to make the plant spread out and to cause the leaves to take on thickness, size, and weight; otherwise the stalk will run up, and the leaves at its top will be thin and small. After it is topped, suckers begin coming out where the leaves join the stalk. The suckers do not come out just once and stop coming when you pull them off, but one of the unfortunate characteristics of the tobacco plant is that suckers keep coming two or three and sometimes four times. They must be taken from the stalk and there is no harder work done by man, in my judgment, than that of suckering tobacco. In addition to topping and suckering tobacco it has to be regularly wormed. The worm eggs are laid by tobacco flies all about the field on the plants. These eggs produce worms which grow from the size of a pin to large worms the size of a man's finger. These worms seriously damage tobacco by eating the leaves, if they are not taken from the plant and killed. There are more of them some years than others, and more of them in some fields than in others during the same crop season.

Mr. SHALLENBERGER. Do all kinds of tobacco have to be suckered?

Mr. UMSTEAD. All the tobacco produced in my section does have to be suckered. I have seen some tobacco which had not been topped. This is the exception, however, and not the rule.

Mr. VINSON. Before you leave that subject, just what effect does the operation of suckering tobacco have on the hands of the man who does the work?

Mr. UMSTEAD. As I stated above, tobacco suckering is hard work. It is necessary to go between two rows, turning first to the right and then to the left, going up and down the stalks and pull the suckers off. This has to be done carefully to keep from breaking the leaves off with the suckers, particularly if the suckers are large. It is necessary to stoop over all the time and turn rapidly from one row to another.

Mr. VINSON. How high is the tobacco at that stage and how low do you have to stoop?

Mr. UMSTEAD. I should say from 2 to 4½ feet high in my section. Of course, you have to stoop down as low as the ground and reach as high as the tobacco grows. The height of the tobacco stalk depends upon the topping and whether it is topped high or low depends upon the strength of the soil, the type of tobacco, the amount of fertilizer or manure that you have in the land, and in some measure upon the grower's estimate of the seasons. It also, in some measure, depends upon the type of tobacco you are attempting to produce. Tobacco is a gummy plant when it is growing and dirty after it is cured. When you worm tobacco, top it, sucker it, prime it, cut it, or whatever you do with it until it is cured in the barn it leaves a black, dirty, sticky gum on your hands. It is hard to get off. About the best method I know of is to rub a little kerosene oil on the hands before trying to wash the gum off with soap and water.

We now come to a discussion of housing or curing the tobacco. This involves a discussion of tobacco barns in which tobacco is cured. Most of the tobacco barns were formerly made of logs. There are many frame barns, however. As I recall it, the average barn is about 18 by 18 feet and high enough to provide for four tiers of poles in the body of the barn before reaching the eaves of the roof. The lowest tier or pole, of course, has to be

high enough from the ground for the tobacco hanging on it to be a safe distance from the flues and pipes. There are four rooms, or sections, so-called, in each barn which are really only rows of poles going across the barn from side to side and far enough apart in a vertical direction for the tobacco to hang on without reaching to the next pole and far enough apart in a horizontal direction so that the sticks will reach from one pole to another. Frequently the barns are made of logs, and many of them are covered with hand-made boards. Instead of buying lime the farmer makes up a clay mixture of soil and water and dabs or plasters the barn with it. There were frequently in the old days "barn raisings" in every community, which meant that the neighbors would come in and help a farmer build his barn.

In one side of the barn is a door; and for the purpose of trying to describe the flues in the barn we will say that the door is on the south side. On the west side of the barn are the mouths of the furnaces running from the outside through an opening in the wall 8 or 10 feet inside. These furnaces are made of rock or brick and are usually about 2 feet wide and about 20 inches high. One of them is near the south wall and one near the north wall. These furnaces are either built entirely of brick or the walls are built of brick or rock and covered with sheet iron.

From the end of the furnace near the south wall inside the barn a large pipe 10 to 12 inches in diameter runs along near the south wall, across the barn to the east wall; then along the east wall to the middle of the barn, and then across the middle of the barn back to and through the west wall of said barn, protruding out from the wall about 3 or 4 feet on the outside. In like manner the piping runs from the end of the furnace near the north side of the barn along near the north wall to the east wall; then along the west wall to the middle of the barn, and then across the middle of said barn back to and through the west wall, protruding out from the wall about 3 feet on the outside. This affords a complete circulation of heat through the barn from both furnaces, both of which, of course, are fired from the outside. These furnaces, flues, and pipes have to be very carefully arranged so as to eliminate the danger of the barn catching fire when the tobacco is being cured. This is a very inadequate description of a tobacco barn. It is probably the best I can do offhand with no way to illustrate the things I am trying to describe. We come now to the actual housing or curing of tobacco.

After the tobacco has grown to maturity, it ripens first at the bottom of the stalk, and by ripening I mean it begins to get yellow. When this happens it must be either primed or cut. If it is cut, tobacco sticks have to be used. These are small sticks approximately 4 or 4½ feet long and about ½ inch thick and an inch wide. Many of the sticks are hand-made, while some of them are sawed. We used to think that fine tobacco had to be cut. Perhaps it would be better to explain what is meant by cutting tobacco. It is necessary to have a sharp tobacco knife, which is something like a small butcher knife, and with it the stalk is split down from top to bottom and cut off several inches from the ground. The first two fingers of the left hand, if the cutter is right-handed, are run down the split stalk, and when it is cut off the stalk is thrown or placed with the left hand across the stick which is held at the side of the cutter by a stick holder. There has to be a stick holder for every cutter, except that occasionally one person will hold sticks for two cutters. This is seldom done, because it is exceedingly difficult for one holder to serve two first-class cutters.

The cutter must know his business. He must look at a plant and decide at once whether that plant ought to be cut or not. If in his judgment it is ripe, he cuts it. If not, he leaves it. Taking two rows at a time, he will cut a stalk here and two or three there. He may cut 5 or 6, one after another, or he may walk past 10 or 15 stalks in a row without touching one of them. Cutting tobacco is a difficult job, because it not only requires skill in the actual operation of splitting the stalk, but it requires skill in the selection of the tobacco plants which are ready to be cut. Frequently women hold the sticks. From 5 to 12 plants of tobacco are placed on a stick, depending upon the size of the tobacco and the length of the sticks. When the stick is filled, leaving the proper amount of room at each end to hang the stick in the barn, it is laid down in the field against the tobacco row; the wagon then comes in the field and the driver of the wagon usually packs the tobacco on the wagon. Men, women, and children are used to pick up the sticks of tobacco from the ground and pass them to the man on the wagon. When the wagon is properly loaded with the sticks of cut tobacco, the tobacco is then carried to the barn. I have heretofore described the barn. The load of tobacco is driven up to the barn door. It is passed by the driver or some other person from the wagon into the barn door. The stick of tobacco is taken at the door by another person in the barn and passed by him to the man who is up in the barn on the tier poles that go from one side of the barn to the other about 4 feet apart in a horizontal direction and about 3 feet in a vertical direction. The person placing the sticks of tobacco on the tier poles is not only stretched from one pole to another but he has to climb from one tier to another in order to properly place the sticks of tobacco in said barn, and so the process goes until the barn is full of tobacco. The average barn holds about four to five hundred sticks of tobacco.

All of these operations have to go on with great rapidity. If the tobacco is yellow and ripe, it has to be cut. If it lies in the field too long in the hot sunshine before the wagon removes it, it will be scorched and injured by the sun. If it is raining, the work is even more difficult and disagreeable, and in that event

great care has to be exercised to keep from breaking the leaves of the tobacco, which are brittle and easily broken when first cut if it is a cloudy or rainy day.

If it is not cut, it has to be primed, and most of it, I am informed, is now being primed. I understand that in eastern North Carolina, and in other bright-leaf, flue-cured sections, cutting tobacco is practically unknown. I have never had any experience in those areas. In the "Old Bright-Leaf Belt", or the piedmont section, tobacco is still cut to some extent, although even there most of it, I am told, is now primed. I stated before that tobacco ripens first at the bottom of the stalk and then up the stalk. When it is primed the first leaves are taken from the bottom and only those leaves which are ripe enough to cure.

Mr. SHALLENBERGER. When you prime tobacco you take the leaves off by hand, do you not?

Mr. UMSTEAD. Yes. You not only prime by hand, but everything that is done to it from the time it is planted until the time it is put on the warehouse floor is done by hand. The leaves are pulled or broken from the tobacco stalk. Perhaps 1 leaf will be taken from 1 stalk and 3 or 4 leaves from another stalk, depending upon the number of leaves which are ripe enough to cure. The leaves are then put in little piles and then someone comes along with a cart or wagon and hauls the tobacco leaves either to the shade at one side of the field or else to the barn. Then the leaves are put together in bundles of 5 to 10, depending upon the size of the tobacco, and handed to a tier. The tier has a stick, the ends of which rest in a frame or holder built for that purpose, and loops the bundles of tobacco on either side of said stick with twine. Of course, in the priming process no stalk is removed from the field at all, whereas when you cut it the stalk is removed at one time together with all of the leaves. When you prime it, you are not through with the stalk until you get the last leaf off.

Mr. VINSON. Who generally does the tying work?

Mr. UMSTEAD. The tying work may be done by most anyone and is frequently done by the womenfolk and children. After the tobacco is tied the sticks of tobacco are then placed in the barn in the same manner as it has been cut. The curing process then begins.

Mr. VINSON. There have been a lot of statements made about tobacco growing being one of the hardest jobs in the world, and I wanted you to submit for the record some proof of that statement in detail.

Mr. UMSTEAD. When the barn has been filled with tobacco, the fires are built under the furnaces immediately. You start off with a very little heat. The tobacco has to be first properly mellowed. If the barn is filled by the middle of Monday afternoon, for instance, it takes until Thursday to finish curing that barn of tobacco, and it must be watched Monday night, Tuesday night, and Wednesday night. During 3 days and nights it is necessary for someone to go in the barn about every 30 minutes and look at the thermometer hanging in the center of the barn to see what the heat is. The fires in the furnaces must be regulated so as to keep the temperature at the desired point. This must be carefully done all through the curing process. The heat is gradually increased until the barn becomes so hot that it is very uncomfortable to go inside. This is necessary because every bit of the sap in the tobacco stems and stalks must be dried out. It is called "killing out tobacco." If it is not "killed out" thoroughly, it will mold and injure in the packhouse. After the tobacco is "killed out", it has to be moved as soon as possible so that the barn can be again filled with green tobacco in order that the curing process may continue to go on.

When "killed out" the tobacco is as dry as a bone. Therefore, the door to the barn has to be opened so that the moisture can get into the barn to get the tobacco in "order", so that it may be handled without crumbling. If the seasons are right, enough moisture will get into the barn; but if it does not, it is necessary to sprinkle water on the barn floor. Most of the time the cured tobacco is taken from the barn before daybreak, and frequently lanterns are used. In the curing season this has to be done in order that it may be emptied and ready to be filled again with green tobacco. It is almost a question of working all day, sitting up half the night, and getting up the next morning before daybreak. Every man on a tobacco farm takes his turn sitting up with the barns at night. One man will sit up from 9 to 11, another from 11 to 1, and so on. The length of the watches depends upon the number of dependable men who know how to regulate the heat. On almost every farm there is one man who has charge of the curing; that is, he directs the regulation of the heat in the barn. He watches the tobacco and gives directions as to the progress of the curing. This goes on all during the entire curing season.

Mr. SHALLENBERGER. How long does it take to cure it, ordinarily?

Mr. UMSTEAD. About 3 days and 3 nights per barn. This varies slightly, of course.

Mr. VINSON. About how many pounds are cured in one space?

Mr. UMSTEAD. That question is about as difficult to answer as the question as to what it costs to raise a pound of tobacco.

Mr. VINSON. Could you give a minimum and maximum?

Mr. UMSTEAD. I would be afraid to, having been away from it so long. It would involve, in the first place, a standard-size barn. It would also depend upon the type of tobacco and whether it was primed or cut. I want to emphasize the fact that this curing process, whether it involves 5 acres or 50 acres of tobacco, extends largely over a period of 4 to 7 weeks, involving many details which I have failed to include. Of course, the seasons have a lot to do with the curing period. Sometimes it ripens rapidly and sometimes slowly.



When the curing is finished, usually the markets are beginning to open. The grading or "stripping" of the tobacco then begins. It is necessary to get the tobacco in "order", which means that it must be made soft enough to handle properly. Most every tobacco farm has an "ordering" house; and if the season is dry, it is sometimes necessary to apply steam to the tobacco to get it in "order." This is done, of course, by heating water over a furnace and sending the steam through a pipe into the "ordering" house. Whether the tobacco has been cut or primed, it has to be graded. If primed, of course it is already off the stalk. If cut, of course it has to be taken off the stalk. The grader then sits down with a pile of tobacco leaves on a box between his knees and grades the tobacco. He has to be somewhat of an expert.

Mr. SHALLENBERGER. Is this the buyer?

Mr. UMSTEAD. No; this is the farmer grading his tobacco and getting it ready to take to the market.

Mr. SHALLENBERGER. Do they tie each grade up by itself?

Mr. UMSTEAD. Yes. The grader sits there and picks up the leaves of tobacco, and by one glance at the leaf he decides which grade it belongs in with a rapidity that would astonish you. He throws the leaves in from 3 to 6 piles, each pile of which is a separate grade. When I raised tobacco there were usually 6 or 7 grades, but I am told that I would know nothing about grading tobacco now because of the changes which have taken place in the grades. Then the tobacco is tied in small bundles, a little smaller than a half dollar.

Mr. SHALLENBERGER. You mean that is the diameter of the bundle?

Mr. UMSTEAD. No. That is the diameter of the head of the bundle. The stems are bunched together at the top and tied.

Mr. SHALLENBERGER. We are getting into details now that I know nothing about. I understood that they put all tobacco of certain grade into one big bundle.

Mr. UMSTEAD. No; each grade is tied into small bundles.

Mr. SHALLENBERGER. Why does he tie it in small bundles?

Mr. UMSTEAD. To take it to market. In Piedmont, N.C., tobacco is carefully graded. In the past it has not been graded with as much care in the eastern part of my State, and, I am informed, in South Carolina and Georgia. I have great respect and regard for my neighbors, but my section of North Carolina taught them most of what they know about the raising of tobacco.

When a sufficient quantity of the tobacco has been graded or "stripped" to take to the market, it is loaded either on a wagon, automobile, or truck and carried to the market, where the owner desires to sell it. There may be a number of markets available. In my day, of course, it was all carried to market on wagons, and it was an all-day trip to travel the distance of 16 miles to the nearest tobacco warehouse. The tobacco is carried to a warehouse and weighed by grades. The floor manager of the warehouse allots the farmer as much space as is necessary for his piles of tobacco. The tobacco is placed on the warehouse floor one grade in a pile. The piles are usually about 3½ or 4 feet in diameter, and the height of the pile depends upon the quantity. These piles are placed close together in long rows across the warehouse floor.

Mr. SHALLENBERGER. The farmer has to pay for that service?

Mr. UMSTEAD. Yes; he pays commissions to the warehouse and also an auctioneer's fee.

Mr. VINSON. What is that fee?

Mr. UMSTEAD. I am not familiar with it now; it has slipped my memory.

Mr. SHALLENBERGER. Let me ask you one other question. You have told us the process of getting the tobacco on the floor. The buyer comes along and makes his bid and buys it according to sample. How is the farmer paid?

Mr. UMSTEAD. On the warehouse floor there are many rows of tobacco with the piles in the rows, as I have heretofore described. The number of rows depends, of course, on the size of the warehouse, the size of the market, the number of farmers in town selling tobacco on that particular day, the popularity of the warehouseman, and other circumstances. There is the tobacco, hundreds of farmers, buyers, representing the companies, speculators, and others who may be interested. The warehouseman, who runs the sale, usually makes the first bid in order to start the sale. Sometimes if no buyer bids on the tobacco, the warehouseman has to take it and resell it, maybe at a loss or maybe at a profit. The buyers move from one pile to another with great rapidity and remain at one pile only a brief moment. Each farmer is usually standing by his pile of tobacco when it is sold. The time is at hand when he is to sell that for which he has worked and labored the whole year. In good weather and bad, during the winter, spring, and through the hot summer months, and frequently under great difficulties, he has worked long hours and endured many hardships to produce the tobacco about to be sold. He has put into it all of his skill, all of his energy, and frequently all of his resources. When placed upon the warehouse floor, it passes from his control. The buyers approach, and with the wink of an eye or the nod of a head, or the giving of a sign, determine the dollars and cents the farmer is to receive for his tobacco. I have had that experience, and I shall never forget it.

Mr. SHALLENBERGER. Does he sell his whole crop right there?

Mr. UMSTEAD. No, sir; not necessarily.

Mr. SHALLENBERGER. Does he sell it on a sample?

Mr. UMSTEAD. No, sir.

Mr. SHALLENBERGER. He sells what is right there at that time?

Mr. UMSTEAD. Yes.

Mr. SHALLENBERGER. Whatever is there is sold?

Mr. UMSTEAD. That is right. The farmer may take his crop to market in one or a dozen loads, depending upon his wishes and the size of his crop.

Mr. SHALLENBERGER. Does he then get his money?

Mr. UMSTEAD. Yes. The buyers approach a pile of tobacco and bid whatever they want to give for it. Each pile has a tag on it with the seller's name and the number of pounds placed there when the tobacco was weighed. When the buyer buys a pile of tobacco the name of his company and the price per pound is entered on the tag. Then another man comes along, picks up the tag, and puts down the number of pounds and the price per pound and carries forward the total on a bill, on which all the piles of tobacco belonging to one man are figured. The total is carried forward and the bill sent at once to the cashier at the warehouse window and there a check is drawn and given to the farmer. The warehouse settles with the companies at the end of the day's work.

Mr. SHALLENBERGER. That is a good deal like we sell cattle in the market. I thought the farmer might have his crop at home and simply bring a sample to the market.

Mr. UMSTEAD. No, sir; we do not sell it by sample.

Mr. VINSON. In regard to the price that this tobacco brings, the question of the lighting has much to do with the price it brings, has it not?

Mr. UMSTEAD. The lighting?

Mr. VINSON. Yes.

Mr. UMSTEAD. Mr. Chairman, I see what you mean; but, so far as my experience with warehouses in my country is concerned, I suppose that could have had something to do with it, but not a great deal.

Mr. VINSON. That does have something to do with it, the question of the angle?

Mr. UMSTEAD. Yes; it might.

Mr. VINSON. There is another element that enters into it, and that is the question of whether the buyer of the tobacco had a good, comfortable night's sleep or whether he got out on the wrong side of the bed that morning.

Mr. UMSTEAD. That is possible.

Mr. VINSON. And some grades of tobacco in the morning will bring a price different from that which they bring after lunch.

Mr. UMSTEAD. Frequently it so happens.

Mr. VINSON. And the farmer, while he has had control of the tobacco crop for some months, when he brings it in on the warehouse floor loses control, and he takes what they give him?

Mr. UMSTEAD. Mr. Chairman, he is absolutely at their mercy. There is no way that I know of by which the farmer can control the price, once he has put it on the warehouse floor.

Mr. SHALLENBERGER. Some of these men who have testified here said that they sold hundreds of thousands of pounds of tobacco. Did they bring it in?

Mr. UMSTEAD. Yes, sir; that is the way they sell it.

Mr. VINSON. Of course, they have to handle that tobacco, and they bring it in and sell it on the auction floor, and it is largely dependent upon the condition of the buyer's liver as to the price that the farmer gets, as well as his directed instructions which he also gets.

Mr. UMSTEAD. I want to conclude in a moment if I may. I have endeavored to describe for you gentlemen, in some measure, the tremendous labor that is required in the actual production of a crop of tobacco. I say to you that I do not believe there is any large agricultural crop which is more difficult to produce than tobacco or which requires longer hours or harder work.

Mr. VINSON. I want to reiterate my appreciation and the appreciation of the subcommittee for your contribution. Those who know about the growing of tobacco falsely assume that that knowledge is had by folks who will have much to do with the granting of this relief. I know that that knowledge is not possessed by a large number, and I want to express the appreciation of the subcommittee for your valuable contribution.

Mr. UMSTEAD. I thank you, Mr. Chairman, and remind you again that this statement is intended in its details to be applicable only to my section of North Carolina. May I now, in conclusion, make a brief statement with reference to the actual tax reduction? In my judgment, you gentlemen have been conclusively shown this week that the tax on manufactured cigarettes is both excessive and oppressive. If that is so, then something ought to be done about it. This administration's program with reference to agriculture has been, I think, for the first time in my recollection, a concrete commitment on the part of the Federal Government to the proposition that agriculture must be protected and relief brought to it before relief can come to the country at large. It is undertaking to aid agriculture. In the matter of tobacco, it is seeking, as it is in the case of other crops, to reduce production in order to raise the price. Here you have an opportunity to raise the price in another way, by reducing the tax and increasing the consumption. I am opposed to a graduated tax because, in my judgment, a graduated tax would be a clear-cut discrimination against the large, far-reaching, bright-tobacco-producing belt of this country, which includes my own section and my own State. I am in favor of a flat reduction.

I say frankly to you, gentlemen, that I think there is but one basis on which to put this matter, and that is that the farmer, the man who produces the tobacco, should receive the benefit of the tax reduction. I feel this very keenly and am tremendously interested in it. I own no interest in any tobacco company, and I own no farm land; however, there is a great injustice being done a large group of American citizens. A great Govern-

ment, if it is imposing an oppressive tax, cannot justify the continuance of that wrongful tax. I appeal to this subcommittee for relief and beg of you that whatever may be your recommendation to the Ways and Means Committee, that the action taken be based upon the proposition that the benefit to be derived from the reduction of the tax shall go to the place it ought to go, to wit, the farmers who produce the crop. It would be a patriotic thing for relief to be granted to a large producing group of farmers who have contributed by their own labor a product the tax from which has swelled the Treasury of the United States during the past 15 years and during which time those who have produced the crop have been ground into the dust of despair. Before closing, Mr. Chairman, I want to pay my respects to the service rendered the tobacco farmers by my colleague, Hon. J. BAYARD CLARK, who, I understand, will follow me in a statement to this committee. He was one of the first men in North Carolina who sensed the condition of the tobacco market last fall, and he initiated a movement which resulted in tremendous benefit to the farmers of my State and culminated in the present Government program, which resulted in much higher prices during the last season.

I again thank you for the patience which you have displayed throughout this hearing, and I urge you with all the earnestness I can command to do your best to afford some measure of relief to the tobacco farmers of America.

Mr. VINSON. We appreciate very much your contribution to the hearings.

#### THE NEW DEAL

Mr. PEYSER. Mr. Speaker, if the record of the Seventy-third Congress is an extraordinary one, the explanation of its activities is an obvious one. If what has taken place in the form of new-deal legislation has been looked upon as extraordinary, there is a reason as, undoubtedly, the conditions were extraordinary. It is true that this Congress, through the laws it has passed, has granted to President Roosevelt more power than has ever been granted any other Executive; but we must bear in mind that those powers were granted for a limited time and can only be renewed by another act of Congress, and those who passed this legislation are elected by the voters of the country. The difference in a grant of power as extended during the Seventy-third Congress, as compared with that in many other countries, is that that power can be recovered at any time after the expiration of the specific limit placed upon it.

I need not tell you what has transpired during this history-making Seventy-third Congress because you have been here watching its progress in the same manner as I have, but it is evident that everything that has been done, aside from the usual and necessary appropriations, has been done with one purpose in mind, and that is to carry out to the fullest measure the proposals of a new deal which would lead to the recovery of the entire Nation from the depression that has been upon us for more than 4 years.

I will not enumerate the different acts that have been passed and are now the laws of the land, but will only refer to a few of the outstanding recovery measures. Included in this important legislation is the Loan to Industries Act; the Communications Act; the Tariff Act; the National Housing Act; and the many measures of relief and public works. The home owners' financing and the farm owners' financing were both acts that have already demonstrated their values for the help of the home owners and the farmers who, in the absence of such legislation, might have been driven to extreme desperation.

We need only to read the message of President Roosevelt, under date of June 8, to learn what is in the mind of the administration for the assistance of the Nation at large. In this connection I beg to be recorded as agreeing with and pledging my complete cooperation to bring to a successful conclusion the aims announced in the President's message, from which I quote only a few passages:

Among our objectives I place the security of the men, women, and children of the Nation first. This security for the individual and for the family concerns itself primarily with three factors. People want homes to live in, they want to locate them where they can engage in productive work, and they want some safeguard against misfortune which cannot be wholly eliminated in this man-made world of ours.

With the full cooperation of the Congress we have already made a serious attack upon the problem of housing in our great cities. Millions of dollars have been appropriated for housing projects by Federal and local authorities, often with the generous assistance of private owners. There is ample private money for sound housing projects; and the Congress, in a measure now

before you, can stimulate the lending of money for the modernization of existing homes and the building of new homes. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans should.

Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established, among other things, "to promote the general welfare", it is our plain duty to provide that security upon which welfare depends.

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance. This is not an untried experiment. Lessons of experience are available from States, from industries, and from many nations of the civilized world. The various types of social insurance are interrelated; and I think it is difficult to attempt to solve them piecemeal. Hence, I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age. \* \* \* Above all, I am convinced that social insurance should be national in scope \* \* \* leaving to the Federal Government the responsibility of investing, maintaining, and safeguarding the funds constituting the necessary insurance reserves.

We must dedicate ourselves anew to a recovery of the old and sacred possessive rights for which mankind has constantly struggled—homes, livelihood, and individual security. The road to these values is the way to progress. Neither you nor I will rest content until we have done our utmost to move further on that road.

I am glad, Mr. Speaker, that I have been privileged to participate in this history-making Seventy-third Congress not only by standing by and casting my vote in support of what I considered constructive legislation but also in casting my vote in opposition to measures which, in my humble judgment, were not for the best interests of my constituents.

I am doubly proud in having sponsored, among others, one bill which is now a law and which has been functioning for about a year. I refer to the United States Employment Service bill, known as the "Wagner-Peyser Act." This measure, as you know, was sponsored in the Senate by the able Senator from New York, Hon. ROBERT F. WAGNER, and I had the honor and the privilege of sponsoring it in our own body. This measure is far-reaching, and within the next year when the States, through legislative acts within their own borders, have legislated to cooperate with the Federal Service, it is my belief that the problem of unemployment will be largely relieved, greatly simplified, and, certainly, put on a basis where every citizen will take advantage of its operation. It is going to be helpful during the days when labor is seeking employment, and will be doubly helpful when things are such that the employers will be seeking labor.

In conclusion, I want to say that I believe we are now on the right road; that we have left the rough and rocky detour and are now riding along the highway to improved conditions and greater opportunities.

I thank you.

#### ANTILYNCHING LEGISLATION

Mr. CELLER. Mr. Speaker, the recent wave of lynchings in the United States has given rise in this country to bewilderment and indignation. Sober-minded persons began to feel a genuine anxiety in the thought and knowledge that these criminal acts had perhaps a more disturbing significance than would appear on the surface. This concern with which Americans regarded last year's outbreak of lynchings does not grow out of the belief that their fellow-countrymen are violent by nature. It is more the result of a feeling that the courts, in that particular community where a lynching has occurred, have failed in their sworn duties to deal out quick and deserved punishment. Faith in the usual and traditional modes of action has waned, and the mob, seeking quick justice against that which they feel was a horrible crime, refuses to accept the normal American role of discipline and fixed standards, forgets its respect for order and efficiency, and takes the law in its hands.

It is clear that the dreadful situation created by these lynchings cannot and dare not be tolerated. It is far too perilous to more things than the lives of possible victims. In its deeper phases we clearly see, I believe, an open and direct menace to the proper respect for law and order, without which a government can never properly function.

All right-minded American citizens must surely feel that the more than regrettable outbreak of mob rule and passion in the closing months of 1933 presented a challenge that must be accepted and answered.

Early in the history of civilization, courts were established to achieve order and to mete out justice. To permit lynchings, to permit attacks upon orderly government by commending, as was done in some cases, a murderous mob of lynchers, by promising in advance immunity to criminals convicted by due process of law as being leaders of a lynch mob, the citizenry openly admits that it can no longer govern itself in proper fashion.

It has conclusively been proved that not only does lynching fail to discourage crime, but to the contrary it stimulates lawlessness—stimulates the very crime that it is mistakenly supposed to prevent. Those who lead a mob to lynch, though it be to avenge the most atrocious of crimes, should nevertheless be brought quickly to arrest, to trial, and to conviction, if the sovereignty and integrity of a government is to be maintained.

Because we have been taught through years of experience that rarely, if ever, do local or State authorities act against mobs, a Federal law against lynching is absolutely necessary. Federal intervention, it seems, is the only power local communities fear.

For these reasons, on January 8, 1934, I introduced in the House of Representatives, H.R. 6559, "to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching." The provisions of this measure are stated below:

[H.R. 6559, 73d Cong., 2d Sess.]

A bill to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching

*Be it enacted, etc.,* That the phrase "mob or riotous assemblage", when used in this act, shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of depriving any person of his life, or doing him physical injury.

Sec. 2. If any State or governmental subdivision thereof fails, neglects, or refuses to provide and maintain protection to the life or person of any individual within its jurisdiction against a mob or riotous assemblage, whether by way of preventing or punishing the acts thereof, such State shall by reason of such failure, neglect, or refusal be deemed to have denied to such person the equal protection of the laws of the State, and to the end that the protection guaranteed to persons within the jurisdictions of the several States, or to citizens of the United States, by the Constitution of the United States may be secured the provisions of this act are enacted.

Sec. 3. (a) Any officer or employee of any State or governmental subdivision who is charged with the duty or who possesses the power or authority as such officer or employee to protect the life or person of any individual injured or put to death by any mob or riotous assemblage or any officer or employee of any State or governmental subdivision having any such individual in his charge as a prisoner, who fails, neglects, or refuses to make all diligent efforts to protect such individual from being so injured or being put to death, or any officer or employee of any State or governmental subdivision charged with the duty of apprehending, keeping in custody, or prosecuting any person participating in such mob or riotous assemblage who fails, neglects, or refuses to make all diligent efforts to perform his duty in apprehending, keeping in custody, or prosecuting to final judgment under the laws of such State all persons so participating, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding \$5,000 or by imprisonment not exceeding five years, or by both such fine and imprisonment.

(b) Any officer or employee of any State or governmental subdivision, acting as such officer or employee under authority of State law, having in his custody or control a prisoner, who shall conspire, combine, or confederate with any person to injure or put such prisoner to death without authority of law, or who shall conspire, combine, or confederate with any person to injure or put such prisoner to death without authority of law, or who shall conspire, combine, or confederate with any person to suffer such prisoner to be taken or obtained from his custody or control for the purpose of being injured or put to death without authority of law shall be guilty of a felony, and those who so conspire, combine, or confederate with such officer or employee shall likewise be guilty of a felony. On conviction the parties participating therein shall be punished by imprisonment of not less than five years or for life.

Sec. 4. The district court of the judicial district wherein the person is injured or put to death by a mob or riotous assemblage shall have failed, neglected, or refused to apprehend, prosecute, the laws of the State where the injury is inflicted or the homicide is committed, any and all persons who participate therein: *Provided*, That it is first made to appear to such court (1) that the

officers of the State charged with the duty of apprehending, prosecuting, and punishing such offenders under the laws of the State shall have failed, neglected, or refused to apprehend, prosecute, or punish such offenders; or (2) that the jurors obtainable for service in the State court having jurisdiction of the offense are so strongly opposed to such punishment that there is no probability that those guilty of the offense can be punished in such State court. A failure for more than thirty days after the commission of such an offense to apprehend or to indict the persons guilty thereof, or a failure diligently to prosecute such persons, shall be sufficient to constitute prima facie evidence of the failure, neglect, or refusal described in the above proviso.

Sec. 5. Any county in which a person is put to death by a mob or riotous assemblage shall forfeit \$10,000, which sum may be recovered by suit therefor in the name of the United States against such county for the use of the family, if any, of the person so put to death; if he had no family, then of his dependent parents, if any; otherwise for the use of the United States. Such action shall be brought and prosecuted by the district attorney of the United States of the district in the United States district court for such district. If such forfeiture be not paid upon recovery of a judgment therefor, such court shall have jurisdiction to enforce payment thereof by levy of execution upon any property of the county, or may otherwise compel payment thereof by mandamus or other appropriate process; and any officer of such county or other person who disobeys or fails to comply with any lawful order of the court in the premises shall be liable to punishment as for contempt and to any other penalty provided by law therefor.

Sec. 6. In the event that any person so put to death shall have been transported by such mob or riotous assemblage from one county to another county during the time intervening between his seizure and putting to death, the county in which he is seized and the county in which he is put to death shall be jointly and severally liable to pay the forfeiture herein provided.

Sec. 7. Any act committed in any State or Territory of the United States in violation of the rights of a citizen or subject of a foreign country secured to such citizen or subject by treaty between the United States and such foreign country, which act constitutes a crime under the laws of such State or Territory, shall constitute a like crime against the peace and dignity of the United States, punishable in like manner in its courts as in the courts of said State or Territory, and within the period limited by the laws of such State or Territory, and may be prosecuted in the courts of the United States, and upon conviction the sentence executed in like manner as sentences upon convictions for crimes under the laws of the United States.

Sec. 8. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

In 1922 a bill proposing a Federal law against mob violence was introduced by Representative L. C. Dyer, of Missouri. It passed the House in 1922, but was killed by a filibuster in the Senate.

In the next Congress, I shall reintroduce my anti-lynching bill and shall endeavor to have it enacted into law.

If we wish our country to prosper, we must have government by law instead of government by mobs. Lynch law has no place in the civilized community. It must be stamped out. I firmly believe that the enactment of this bill will go a far way toward erasing this stain upon American justice.

#### A LIFE LINE TO THE INDIAN

Mr. HODALE. Mr. Speaker, when the white man from Europe landed on the American Continent, the natives not only extended a hand of welcome, but actually knelt at his feet and worshiped him. The covetous nature of a white man promptly asserted itself. Soon, and as fast as his might would permit, he proceeded to take what for centuries had belonged to another people by right of possession and occupancy. Not only did he acquire the lands, but he despoiled the forests, disseminated the game, looted the mines, and reduced the great empires and all they contained to his own selfish ownership.

The white man for centuries as a result of competition with his neighbors had been learning the importance of getting, keeping, having, and controlling the necessities of life and the means of producing them, or in other words, he knew the significance and value of private ownership.

The Indian, living sparsely on a vast continent, had learned exactly the opposite. The desire to divide his fish, his fowl, his fur, or his wigwam with his fellow men became a part of his nature. His mode of living actually prevented him from acquiring and keeping property. It did not take long for the white man, ambitious, avaricious, superior in numbers, with the aid of gunpowder, simply to take what he wanted—about all that was here. The scalplings, the

arson, the depredations, and the crimes often charged to the Indian generally were the result of a feeble effort on his part at self-defense or to strike back in retaliation for the despoilation and slaughter meted out to him.

In our early history, the Government of the United States by legislation, by treaty, and by judicial and departmental interpretation appointed itself guardian of the Indians. Whether this was because of generosity or to save the conscience of the conquering heroes need not be decided. The guardian at an early time located its wards on reservations in the rough, mountainous, arid, and less desirable areas of the country, places that the white man thought he would not want. As the decades passed and the population grew, and when it was discovered that the Indian had some lands suitable to agriculture, some oil, timber, and other natural resources of value, ingenious methods were devised to relieve him of his property.

The General Allotment Act of 1887 alone has been responsible for tremendous losses to the Indians. Apparently some expert in social science concluded that the Government should make farmers of its Indian wards so this act was passed authorizing the allotment of a tract of land to each Indian. Its purpose really was to destroy the tribal status and to substitute private for tribal ownership. Trust patents containing restrictions on alienation were issued to the respective allottees. These restrictions in comparatively short periods of time usually were removed and the Indians, true to their nature, promptly sold their lands for anything they could get. This act was supported by many well-meaning people who had the welfare of the Indian at heart, and who believed that it would provide him a private home and make him an independent, self-sustaining citizen, but the guardian merely gave its ward an opportunity to sell and the white man a chance to buy so that the result very largely has been the separation of the Indian from his property.

The administration of Franklin D. Roosevelt shows a sincere desire to reverse the Indian policy of the past, and, in the future, to serve the Indian as a true and faithful guardian. H.R. 7902 prohibits the further allotment of lands in severalty. Its objective is to conserve the Indian estate and not to squander it.

Moreover, this bill appropriates \$2,000,000 from the Public Treasury to purchase lands for the benefit of the Indians; authorizes the incorporation of Indian business associations; appropriates \$250,000 annually to pay the expenses of promoting such organizations; appropriates \$10,000,000 to be used as a revolving fund for loans to such associations; appropriates \$250,000 annually to provide vocational training for Indians—such appropriations to be reimbursable under departmental rules. It contains provisions designed to stimulate the employment of Indian labor and the appointment of Indians to positions in the Indian Service. Furthermore, the bill authorizes any Indian tribe to formulate and organize a tribal government and to elect tribal business committees to conduct its business under rules and regulations prescribed by the Secretary of the Interior.

However, under the provisions of the bill a charter of incorporation issued by the Secretary of the Interior is not effective under the law until approved by a majority of the adult Indians on the reservation concerned. The bill does not apply to any reservation where a majority of the adult Indians at a special election vote to the contrary.

The bill is not perfect. Some of the provisions must be tested by experience. The way is open for error and abuse. Operations under it will need the ever watchful eye of efficient departmental supervision.

VOTING RECORD OF WESLEY E. DISNEY, OF OKLAHOMA—"I STOOD BY THE PRESIDENT"

Mr. DISNEY. Mr. Speaker, I have compiled my record in the Seventy-second and Seventy-third Congresses, in the latter Congress in more detailed particulars, and am setting it forth in these remarks. A mere voting record is not sufficient to give the constituent proper understanding of his Congressman's record. For that reason I am taking this method of outlining my activities in the RECORD:

I have consistently opposed and voted against unnecessary increased expenditures and additional taxes. It has been necessary to support emergency measures as were necessary to provide work and relief to avoid privation on the part of the people. Tariff legislation that is beneficial to agriculture has received my earnest consideration and I have on all occasions voted for such acts as would benefit the whole people—the farmers, tradesmen, and laborers of all classes—to protect them against any lowering of the standard of American living.

Currency expansion has received my special thought and attention as I am convinced that is the means of the distribution of our wealth in such manner that the present indebtedness may be paid on the high basis on which it was incurred, convinced as I am that when our indebtedness is out of the way, business will start upward again—and probably not until then. With that in view, I voted and supported the silver legislation, the soldiers' bonus bill, and other currency-expansion measures, with no thought of ever supporting any program for fiat money or greenback issues without reserve. With this in view, I have also supported what is known as the "cost-of-production plan" for minimum prices for agricultural products.

In the Seventy-second Congress the following are some of the outstanding features for which I voted: Philippine independence, against the moratorium on war debts, for the "lame duck" amendment, for the highway bill, for the anti-injunction labor bill, for the soldiers' bonus, for the Flood-Control Act.

RECORD IN 1933 SESSION

Then came the momentous 1933 special session, in which I voted for the Agricultural Relief Act, the Farm Mortgage Relief Act, the cost-of-production plan for agricultural products, for the Reforestation Act, the Emergency Banking Act, the reduction of postal rates, the railroad bill for benefits to employees, and the Unemployment Relief Act.

I also voted for Muscle Shoals and Tennessee Valley Authority development, for the Home Owners' Loan Corporation plan, for the Thomas Act for the expansion of currency, and the Connally amendment to the N.R.A.

I also voted for the Securities Act, "make the seller beware", and for the bill prohibiting exportation of arms and munitions of war under certain circumstances.

I voted for the insurance of bank deposits, one of the most outstanding and epoch-making bills in American banking.

I also voted for the bill to go off the gold standard, and again for Philippine independence.

RECORD IN 1934 SESSION

In the 1934 session, my votes followed the same line as in the first session.

I voted for the bill to devalue gold in order to protect our currency against cheap foreign currency, and for the revenue act to reenforce the income-tax laws.

My vote for the Dies silver bill, known as the "American agricultural surplus" bill, and for the reciprocal trade agreement bill and for the general silver bill were in line with the administration's plan.

Again I voted for the bonus bill, for the immediate payment of the adjusted-service certificates and the controlled expansion of the currency.

I voted for the Civil Works Administration and for the Women's Equal Rights Act, removing sex discrimination in citizenship.

I voted for the bill for the control of the stock exchange, that gambling institution which has done so much to bring us into the depression of 1929-33.

The bills guaranteeing the Farm Loan Bonds and the bonds of the Home Owners' Loan Corporation, and the National Housing Act received my favorable votes.

I voted for the Vocational Education Act.

The bills involving utility rates received my votes; namely, the Johnson bill to prevent interference by the Federal courts with the State courts in rate cases, and the communications commission bill by which the Government rearranges

the matter of Federal investigations in rates. I voted for all bills for investigations into utility rates.

The bill to restore the pension benefits to the World War veterans and the Spanish-American veterans received an "aye" from me.

The public roads bill and the bill to prohibit the selling of munitions of war to belligerent nations, the bill to establish foreign-trade zones received a favorable vote from me.

Loans to foreign debtors in default and the purchase of the securities of their government were forbidden in what is known as the "Johnson bill" for which I voted.

Competition of prison industries with free labor was banned in a bill for which I voted, and I also voted for the railway pension bill, the Railroad Labor Act for settlement of labor disputes, and the rural route bill.

I voted for the Federal credit union system to provide for small loans and the amendment to the bankruptcy bill to provide relief for farm-mortgage owners.

I voted for compensation for widows and children of veterans receiving compensation for disability directly incurred in active duty in the World War and who died from non-service connected disabilities.

I voted against the conference report on the Bankhead cotton bill, which I consider to discriminate against Oklahoma.

I have been intensely active in flood-control matters and matters relating to the development of the natural resources of the Arkansas River Basin; in the Spavinaw Forest Reserve; in the Fairfax-Kaw City and Grand River hydroelectric project; in the Hulah Dam project at Bartlesville, Okla.

I located the H.O.L.C. headquarters for the State in my district against tremendous opposition odds.

Every letter has been promptly answered and I have given the most careful attention to the slightest request made of me by any of my constituents.

A wide and favorable acquaintance amongst the Members of Congress, the department heads, and members of the Cabinet, and other people in Washington whom it is necessary to know to get things done for Oklahoma, it has been my good fortune to acquire in the last 4 years.

Seniority counts in Congress. Texas has the Vice Presidency and six of the most important committee chairmanships in the House of Representatives, simply because she has kept her men here for long tenures, without putting new and inexperienced men in the place of trained and experienced Congressmen.

It will be a pleasure upon request to furnish copies of this record to those constituents who may be interested in procuring it.

#### LEGISLATION OF THE BANKING AND CURRENCY COMMITTEE IN THE SEVENTY-THIRD CONGRESS

Mr. BROWN of Michigan. Mr. Speaker, it was my good fortune to become a member of the Banking and Currency Committee of the House. It is well known to all that by far the most important legislation enacted during the Seventy-third Congress came out of this committee.

The course of legislation in the Congress is almost entirely determined in committees and my position on this committee enabled me to be where the most important measures enacted by the Congress were first considered.

The Banking Act of 1933, which carried with it the insurance of bank deposits, I have discussed in another speech, and desire at this time to devote myself to the other important bills which became law, with special emphasis on their interest to northern Michigan.

The loans-to-industry bill is a measure largely designed to assist industry in the smaller communities. Industries such as the pulpwood industry, with its mills located at Escanaba, Munising, Manistique, Alpena, and Menominee, are of such proportions that the banking facilities in the towns where they are located are not large enough to take care of their needs. These concerns have had to do their banking in the larger centers, such as Chicago, Milwaukee, and Detroit. The loans-to-industry bill will make available to these concerns the assets of the Reconstruction Finance Corporation.

In this connection, a most important piece of legislation, which it is said has administration support, is before the House Banking and Currency Committee. It will enable the Reconstruction Finance Corporation to loan for the purpose of reforestation.

To fully discuss this subject would take much more time than is available to me. Briefly, however, it is the first step toward the financing of reforestation. It is my good fortune to be in a position, through my committee assignment, to further this legislation, and if I return to Washington I feel that I can greatly assist in bringing the measure into effect. I know of no bill of greater importance to northern Michigan.

I was able to amend the loans-to-industry bill so that the great fishing industry of my district and State could be assisted by the Reconstruction Finance Corporation. As the bill was introduced and as the law existing before its introduction stood, the fishing industry could not be assisted by loans. On the floor of the House I offered an amendment which included fishing within the benefits of the act, and the amendment was unanimously adopted and thereafter passed in the Senate. Many other northern Michigan industries will be aided by this bill.

The Banking and Currency Committee also had the so-called "housing bill" in charge, and I devoted my time to the perfection and enactment of this bill. It is of great interest to northern Michigan because it is a direct aid and encouragement to the building industry. It should stimulate our cement industry, located particularly in the counties of Emmet and Alpena; and the quarries located in the counties of Antrim, Cheboygan, Presque Isle, Alpena, Mackinac, Schoolcraft, and others. It should encourage the timber industry, which is spread generally throughout my congressional district, and will greatly aid the iron industry, particularly the furnaces located in Antrim, Luce, and Delta Counties. Delta County should also greatly profit from the increased transfer and shipment of ore. The workers of the railroads throughout the district should also be assisted by this bill, because of the increase in the handling of freight.

Briefly, the bill provides assistance for the building of homes, the building of apartments, and encourages the repair of existing buildings. Credit is provided and insurance of risks is also provided. It is hoped and believed that billions of dollars will be loosened and put into the channels of trade by this measure.

I was able to get into the law the policy I have followed throughout my term in Congress of preventing further tax exemptions. My amendment to the bill was adopted on the floor of the House and approved in the Senate. It provides that the private mortgage institutions created to finance the building must pay the same taxes as other financial institutions and individuals. I have been greatly disturbed for many years by the policy of permitting various concerns to escape taxation. There was not a dissenting vote to my amendment.

Although I have consistently supported the administration, there have been times when I felt forced to disagree. In many instances, on the housing bill, the bank bill, and the loans-to-industry bill, the position of myself and others in insisting upon changes in the original administration bills resulted in improving the legislation.

I am very proud of the fact that my own suggestion to the President, made when he called the Banking and Currency Committee before him, to raise the \$2,500 deposit insurance to \$5,000 was acceded to by him and enacted into law. I am also very proud of the fact that Chairman STEAGALL and myself were the subcommittee which drafted the legislation known as the "Stegall aid to closed banks" bill, which enables the Government through the Reconstruction Finance Corporation to give the greatest possible assistance consistent with reasonable security to depositors in closed banks. The bill as we drafted it was passed by the House, and the only change made in the final enactment of the bill by the Senate and House was the shifting of the agency for the relief of depositors in closed banks from the

Federal Deposit Insurance Corporation to the Reconstruction Finance Corporation, which was merely a change of administration and not of substance. I had spent much time on this bill and realized as soon as I learned of the change of administration that the largest closed bank in the country would not be aided to any extent by the bill. I refer to the First National Bank of Detroit. I immediately drafted H.R. 9904, and on Monday, June 11, introduced it in the House. It was referred to the Banking and Currency Committee and reported out unanimously on Tuesday, the 12th of June. On Wednesday, the 13th, I secured its passage in the House and had it messaged to the Senate on the 14th. I took the matter up with Senator COUZENS and Chairman FLETCHER of the Senate Banking and Currency Committee, and on Thursday, the 14th of June, the bill was reported favorably to the Senate; and through the prompt action of Senator COUZENS my bill passed the Senate the next day, June 15, and upon signature of the President will become the law. It is stated that this is a record for the rapid enactment of a bill. If this law had not been enacted, the additional assistance to the First National Bank of Detroit would have been limited to between twenty-five and thirty million dollars, whereas the amount that can be safely loaned that bank is many times this figure. The result is that not only will the depositors of the First National Bank of Detroit be greatly aided, but those depositors in the smaller banks of Michigan which had accounts in the First National of Detroit will likewise be assisted.

#### UNEMPLOYMENT INSURANCE

Mr. WOLVERTON. Mr. Speaker, the necessity for some form of security against the distressing effects of unemployment is one of the most outstanding needs made apparent by the depression. Furthermore, our experiences have brought us face to face with the fact that when one class suffers to any considerable extent it affects others as well. We realize now as never before our interdependence upon each other. Recognizing this fact, it is easy also to appreciate that whatever is done to promote the welfare of one has to some extent a beneficial effect on another.

There is no more striking illustration of the harmful effects accruing to all when a substantial portion of our population is adversely affected than the distress which has come to every class as a result of the unemployment of our industrial workers. Consequently, when we plan and provide for security of employment, or relief against enforced unemployment and idleness, our efforts prove beneficial to all even though it is the worker who may be directly benefited. A full realization of this fact removes all such remedial provisions from the criticism so often directed to so-called "class legislation."

Consideration of unemployment insurance, security against unemployment, or other forms of relief for workers should be approached from this standpoint of the mutual advantages to be gained, and a full appreciation that the benefits are general as well as special in character. To approach the subject from such a standpoint is helpful in creating a better understanding and a more sympathetic treatment by all concerned. Our interests are so intertwined one with the other that to consider it otherwise is to encourage class hatred and possible failure. It is gratifying, however, to realize that there is an ever-increasing willingness to accept and study this and other problems in a spirit of unity. So long as this spirit shall prevail social justice will advance rapidly and to the benefit of all our people.

The distressing circumstances that have accompanied unemployment during the period of the depression create a definite and unescapable obligation to provide against their recurrence in the future. There is an expectation upon the part of our people that some method, either State or Federal in character, or joint and cooperate functions to be exercised by both, will be provided.

To deal effectively with the problem a method must be established that will insure as far as possible regularity of employment as well as security of relief for the worker for periods when there shall be an unavoidable lay off. The

task is no easy one. Creating purchasing power, effect of new and improved machinery, seasonal trends, and all the other varied and numerous attendant circumstances and influences must be considered. Each is an element that enters into a proper solution. Both our awakened sense of responsibility and the keen realization of the distress that has been experienced by the unemployed and their families during the days and years of the depression create an unconquerable desire to solve the problem. It must be solved in such a way that never again will the honest toiler, able and willing to work, suffer such losses and distress of heart and mind as he has had to bear the last 4 years.

It is because of this that so many Americans have come to believe in unemployment insurance as a way to provide income for workers who are laid off their usual jobs. Unemployment insurance benefits, even though modest in amount, would provide a purchasing power in the community, thereby creating a market into which manufactured goods, representing work and labor, would be turned; and it would enable the family of the unemployed worker to maintain itself and its standard of living. It would eliminate devastated homes and prove a bulwark of security against distress and fear.

We have no such legislation in the United States today except a meager experiment in Wisconsin, but we must not be deterred by the difficulty of the task. There is a human element in the problem, an element that affects the lives and happiness of present and future workers. We must not turn a deaf or unresponsive ear to their cry. It is the enactment of legislation such as this which will give courage, hope, and a renewed determination to the crushed and broken in spirit. Let each of us be ready and willing to do our part. America will be a better and a stronger nation for our having done so.

#### HOUSING AND SLUM CLEARANCE AN AID TO WORK RELIEF AND BETTER CITIZENSHIP

Mr. WOLVERTON. Mr. Speaker, it has been my hope and belief that there would come out of the experiences of this unparalleled depression some outstanding accomplishment for the common good. Already there has been a recognition of policies and principles, the fundamental purpose of which has been to advance social justice and which gives promise in the days to come to promote the general welfare of our people. There must not be any retreat from this advanced ground gained for human rights.

Likewise, I have hoped that there might be in every community something of a material character that could be pointed to with pride as an accomplishment perfected during the dark days of depression. It might be the construction of an electric-light plant to supply electric energy at reduced rates to the public, a waterworks, an improved sanitary sewer system to promote the health of the community, additional school buildings, playgrounds and recreational parks, increased hospital facilities for the destitute and poor, slum clearance, and low-rent housing projects for workers and small-salaried employees. Any one of such projects might well be a monument in the community to which the citizenship could point with pride.

The advantage of this type of expenditure of governmental and municipal funds would be not only that it provides a useful expenditure but it would be a kind of construction, giving a character of employment, in which the worker could take pride in the knowledge that he was doing something worth while. Furthermore, there is no kind of work that gives employment to so many varied trades and occupations as building construction—the stone mason, bricklayer, carpenter, painter, plumber, electrician, plasterer, tile setter, cement worker, and so forth—together with all who are engaged in the preparation and sale of the lumber, bricks, stone, millwork, hardware, glass, paint, and a myriad of other materials, reaching all the way from forest, mine, and mill to the building under construction. Workers, skilled and unskilled, would be called into service at wages that would make decent living conditions possible.

Even a superficial consideration of the subject will reveal that housing or building construction of similar character

makes heavier demands for labor than any other industry. It is estimated that at least 40 to 50 percent of the total cost goes to labor on the job, and another 20 to 30 percent goes to labor engaged in preparing materials. This should give housing and building construction an important place in the recovery program.

Aside from its desirability as a means for providing a work program, there is a real need. No industry nor the occupations identified therewith has suffered more as a result of the depression than building construction work. As an indication of this fact, with respect to housing, the Department of Labor has published statistics for 257 representative cities. Between 1921 and 1929 the average number of new dwelling units built was 388,000 per year. In 1930 it was as low as 125,000; in 1931 it was 98,000; and 27,000 in 1932. Since the average rate of 388,000 probably represents something near the need for new buildings and replacements we are now 914,000 dwellings in arrears merely in the 257 cities represented. In addition the decrease in building operations of other types has been equally pronounced. The arrears for the country as a whole must be stupendous.

Housing and building construction should have a central place in any continuous Public Works program that seeks to build up a steady basis for employment. It is undoubtedly the most promising means now available for establishing permanent employment.

The wiping out of slums or improper living quarters closely allied thereto should also be a part of such a program. Crime, disease, illiteracy, and all else that tends to undermine and weaken our national character thrive in areas where improper living conditions exist. Likewise there is no comparable area in any community that costs the taxpayer and charity organizations so much to maintain and from which so little revenue for governmental purposes is obtained. Such districts constitute a tax drain upon every community. Their elimination could be justified upon economical grounds alone and without any consideration being given to the higher or more substantial reason of providing living quarters that would create a better type of citizenship.

It will be unfortunate indeed if we do not utilize for slum clearance and construction of low-cost living quarters a substantial part of the vast funds now being expended as a part of the recovery program. There is no expenditure that can be made that will give greater promise of financial return to either the Federal Government or the municipality undertaking such a project or will give larger dividends from the standpoint of better citizenship resulting therefrom.

Notwithstanding the fact that for upward of 2 years or more Federal legislation and Federal funds have been available for the purpose, yet nothing worth while has been done to accomplish it. Valuable time has been taken up by conferences, discussions, after-dinner speeches, radio talks, and group meetings to formulate plans. The sum total of all this effort has been practically nothing. Few projects have been started and none completed in this entire country. The time has come to stop conferring and begin work. Federal, State, and municipal authorities should immediately enter upon an aggressive program of cooperation. Further delay is unwarranted. The time for action has come.

The strength of our national life is determined by the character of our citizenship. The whole cannot be any better than its parts. The parts are the individual citizens. Each is an influence for good or evil. As they are good or bad in the aggregate so will be the Nation. Recognizing this fact, there comes upon those in authority a responsibility to provide the means by which a higher and better citizenship can be attained by every class of citizen. The duty is just as great to the humble citizen living amidst the squalor of a slum district as to the citizen of more substantial means whose property rights are given the protection of law. I emphasize this fact because living conditions have a large and important part in determining the character of the in-

dividual and the type of citizenship that results. There is a direct relationship between housing and good citizenship. It is not too much to say that the time will come when decent housing will be recognized as a test of a nation's civilization. Let us as a nation accept the challenge.

#### THE ISSUE OF THE 1934 ELECTIONS

Mr. SNELL. Mr. Speaker, when President Roosevelt was inaugurated, he found every banking institution in the United States, with the exception of those under Federal jurisdiction, closed by reason of bank holidays declared by the several State executives. The President's first official act, issued early March 6, 1933, and effective as of that date, declared a bank holiday not only for those institutions already closed by State authorities but for all Federal banking institutions.

The reason for that unprecedented situation was public fear. It was a panic. In 80 percent of the cases it was not justified, because 80 percent of the banks of the country at that time were sound and solvent. They had been run honestly as well as legally. This statement is proved by the fact that at the close of the bank holiday declared by President Roosevelt 80 percent of the banks immediately reopened.

The President assured the public in a Nation-wide radio address Sunday evening, March 12, 1933, that, beginning the next day, banks would begin to reopen. He emphasized the fact that no bank would be permitted to reopen until and unless it had been examined by agents of the Federal Treasury and found to be 100 percent sound and able to meet all normal, legitimate banking demands.

By March 25, 3 weeks after the President declared his bank holiday and 12 days after the banks began to reopen, 80 percent of the banking institutions in the United States which had been closed either by order of State authorities or by the President were open and doing business on an unrestricted basis. Subsequent events proved three-fourths of those which did not immediately reopen, or did so on a restricted basis, were fundamentally sound and had been run honestly. In fact, they were simply the victims of their own honesty. They had loaned on good securities which at the time the loans were made had a value which not only complied with banking laws but also with sound banking practices. After those loans had been made values depreciated and the banks were face to face with the problem of dumping those securities on the market and closing out the individual borrowers to their permanent loss and in all probability absolute ruin, or hold them in the hope of an improvement in general business conditions. Furthermore, to have dumped the securities on the market would have only made a bad matter worse, because that would have still further depreciated the value of all securities.

The President's bank-holiday order was wise. The assurance he gave the people that no bank would be permitted to reopen unless it was sound was wise. During that holiday period public hysteria disappeared. When the banks reopened there was no stampede upon the part of depositors to withdraw their money which had been held impounded during the period of the holiday. To the contrary, millions of regular bank customers redeposited money they had withdrawn in their fear just prior to the declaration of the bank holiday.

Public confidence returned and people began to do business as usual. Every week from that time, April 1, 1933, until the first week in August, showed not only consistent and continuous improvement in practically every field of private enterprise, but the rapidity of the recovery was without parallel in the history of the United States. In fact, in no like period of time in the history of any country had there been such an increase in the material prosperity of any people. Statistics furnished by official Government publications, compiled under the direction of officials of this administration—see table A—show that beginning with the reopening of the banks in March 1933, prices of farm products began to go up, the purchasing power of the farmer's dollar began to go up, wholesale commodity prices began

to go up, industrial activity increased, industrial employment and wages increased, freight-car loadings increased, department-store sales increased, private-building construction increased, imports and exports increased. Those increases in agricultural, industrial, commercial, financial, and transportation activities continued without recession or intermission until late in July or the first of August.

TABLE A.—Indices showing trend of farm prices, wholesale prices, retail prices, industrial activity, pay rolls, employment, business activity, imports, and exports under the new deal

(All figures, with the exception of farm purchasing power and farm prices, are taken from the monthly publication of the Department of Commerce known as Survey of Current Business. Farm purchasing power and farm prices taken from monthly publication, The Agricultural Situation, issued by the Bureau of Agricultural Economics. April 1934 is the last month for which complete figures are given in the last issue (June 1934) of Survey of Current Business. May 1934 is the last month for which the June issue of The Agricultural Situation gives figures for farm purchasing power and farm prices.)

	March 1933	July 1933	August 1933	September 1933	December 1933	April 1934
Farm purchasing power.....	50	71	64	60	59	161
Farm prices.....	50	76	72	70	68	174
Wholesale prices.....	60.2	68.9	69.5	70.8	70.8	73.3
Pay rolls.....	36.9	50.8	56.8	59.1	54.5	67.3
Retail prices, foods.....	91	105	107	107	104	107
Department-store prices.....	69.7	76.1	82.5	86	88	89.4
Cost of living.....	71.8	75.2	76.9	77.9	77.3	78.4
Industrial production.....	57	101	91	84	73	85
Manufacturing employment.....	56.6	71.5	76.4	80	74.4	82.3
Freight-car loadings.....	62	70	69	68	67	65
Department-store sales.....	57	70	77	70	69	77
Imports.....	26	48	50	48	42	42
Exports.....	28	43	38	40	48	50

<sup>1</sup> Index numbers for farm purchasing power and farm prices are for May 1934.

Government figures further show that in July or August of 1933 the purchasing power of the farmers' dollar as well as the average of farm prices were higher than they have been at any time since then until a few days ago, when farm prices began to increase due to the injury being done by the drought in the great central western agricultural sections.

The Government figures show that industrial activity was greater in July 1933 than it has been at any time since; that freight-car loadings were higher than they have been at any time since; that department-store sales were higher in August 1933 than they have been at any time since until April of this year, when they only equaled sales in August 1933.

The Government figures show that imports, which are an accurate index of the consuming power and industrial activity of a country because goods are imported either to be consumed directly or to be fabricated or processed into other products, reached the highest point in August 1933 that they have touched since this administration came into power.

These figures are of the utmost significance, in view of the claims now being advanced by spokesmen of this administration.

The N.R.A. has just completed its first year of official existence. To celebrate that occasion it issued a formal statement under the name of its Director, Gen. Hugh S. Johnson. In an endeavor to establish its claim of having contributed largely to recovery in the industrial, commercial, and financial world, it set up a comparison between conditions as they existed in March 1933 and March 1934. It attributed all increase in industrial activity, employment, wages, retail sales, and so forth, during that period to the operations of the National Industrial Recovery Act.

The last few weeks have also witnessed the closing of the first official year of a number of other emergency set-ups under this administration, such as the Public Works Administration and the Agricultural Adjustment Administration. Like the N.R.A., those organizations issued statements claiming for themselves a very liberal share of the credit for whatever material improvement the country has made since March 1933.

Dr. Raymond Moley, conceded to be the closest and most trusted adviser of the President, even though he no longer

is a member of the administration's official family, in a recent article in his magazine, Today, also sets up a comparison between conditions as they were in March 1933 and as they exist today, and claims for the new deal all the credit for the improvement shown.

These claims, no matter by whom made, collapse in the face of the Government's own figures. As indicated above, neither agriculture nor industry are in as good shape as they were when the emergency measures of this administration were placed upon the statute books and became effective.

The first major emergency measure intended to contribute to economic recovery was the Agricultural Adjustment Act, which was signed by the President May 12, 1933. It was a revolutionary measure calling for the set-up of entirely new machinery to carry out its provisions. That machinery was not in operation until well toward the middle of July. Therefore, any recovery in agriculture prior to July 1933 cannot be credited either to that particular act or any other legislation by the Democratic administration. Yet the Government's own figures show that all the improvement in farm prices and the purchasing power of the farmers' dollar that has taken place since Roosevelt was inaugurated took place between March 1933 and the date the Agricultural Adjustment Act began to be in full force and effect.

They further show that following the enactment of the Agricultural Adjustment Act farm prices steadily declined, as did also the purchasing power of the farmers' dollars, until after the first of this year. Due to the fear of the effects of the drought in the great Middle West agricultural section, some farm prices began to advance early this spring and, as a corollary, so did the purchasing power of the farmers' dollar. But even as late as April this year neither the average farm prices nor the purchasing power of the farmers' dollar had reached the high point they enjoyed in July 1933 before the Agricultural Adjustment Act became fully effective.

The other major emergency act, characterized by the administration itself as the heart of the whole recovery program, and designed to do for industry what the Agricultural Adjustment Act was designed to do for agriculture, was the National Industrial Recovery Act. It was signed by the President July 16, 1933. Therefore, any recovery in industry prior to that date could not possibly be attributed to the effects of that act. Yet again the Government's own statistics show that all of the increase in industrial activity which has taken place during the life of this administration took place between March 1933 and July of that year, which was before the Industrial Recovery Act became a law. The figures further show that, instantly it became a law, industrial productivity began to decline, as also did freight-car loadings and imports, and that these activities have never recovered to the point they were before the passage of the Industrial Recovery Act and the setting up of the National Recovery Administration.

It is especially significant that while the United States began to lose ground in almost every field of endeavor in July and August 1933 and continued to lose ground throughout the remainder of the year, and insofar as official figures have been completed, up to and through the month of April this year, other countries have enjoyed a much happier experience. In common with the United States, the leading commercial and industrial countries of the world showed a marked improvement during the first part of 1933. Unlike the United States, that improvement continued throughout 1933 and has continued, with some unimportant variations, through the first part of 1934.

Such are the facts. They cannot be successfully denied. They challenge every claim made in behalf of the policies and theories of the new deal. The spokesmen for this administration ignore these facts because they cannot satisfactorily explain why there was more recovery in this country in the 4 months prior to the enactment of any of the recovery measures than there has been in 1 year since those measures became effective. They cannot satisfactorily explain why 25 percent of the recovery made in this country



prior to the enactment of the recovery measures was lost following their enactment and enforcement. They cannot explain why other countries which have no new deal with its recovery program made steady gains since July 1933, while this country was losing ground.

They cannot charge the failure of the recovery program to lack of cooperation upon the part of the American people or to crippling opposition upon the part of the minority party. The opposition of the minority party to the enactment of many of the new-deal policies did not change the course of national legislation. The Democratic majorities in both branches of Congress enacted the administration program exactly as it was sent from the executive offices. It, therefore, cannot be said that any of the new-deal legislation was rendered ineffective and fell short of the expectations of the administration because it had been emasculated by the Republican minority in its course through either branch of Congress. The recovery legislation placed upon the statute books by this administration has proved a disappointment, because of one of two things: Either its inherent defects or its maladministration upon the part of those who conceived it, sponsored it, commanded its enactment, and demanded a free hand in its administration.

Surely the failure of the program of the Roosevelt administration cannot be charged to lack of funds to insure its proper enforcement. The fiscal year will close within a few days. According to the latest available Treasury statement, as of the close of business June 15, the total actual cash expended by this administration up to that date during this fiscal year was \$6,669,095,044. The Treasury statements covering several weeks back show that the daily actual cash expenditures are averaging \$23,967,081 for every calendar day. There is no reason to assume this average rate will decline during the remaining 15 days of this fiscal year. That being the case, the fiscal year will show over \$7,000,000,000 of money actually paid out of the Federal Treasury by this administration during this fiscal year—the greatest peace-time expenditures ever known in the history of the United States.

These expenditures will be over \$4,000,000,000 in excess of receipts, which in themselves, according to the latest available Treasury statement, are over \$1,000,000,000 greater than the receipts during the last fiscal year of the Hoover administration. In other words, the Roosevelt administration during this fiscal year has raised over \$1,000,000,000 more revenue than was raised during the previous fiscal year, spent it in behalf of its recovery program, and then borrowed \$4,000,000,000 more which it spent in an effort to make its program work.

We now know the reason the so-called "recovery program" has failed so conspicuously is because it was not intended to succeed. The motive back of most of the new-deal legislation—which was conceived somewhere in the executive branch of the Government, written outside the committee rooms of Congress, and sent to the Democratic leaders in Congress with orders to pass it without modification—was not the bringing back of material prosperity to the American people but what the new deal is pleased to call "social reform."

It has become perfectly apparent that the purpose of the Roosevelt administration is not the healing of our economic ills but the destruction of our economic system. We have it upon the authority of no one less than the President himself, in a message delivered to Congress this month, that "it is childish to speak of recovery first and reconstruction afterward"; and that the principal objective of his administration is to rebuild our entire economic system. This is entirely consistent with the utterances and writings of the spokesmen of the new deal, chief of whom is Professor Tugwell, Under Secretary of Agriculture.

The administration has self-styled its own program as "economic planning." Secretary Tugwell is on record as stating that:

New discipline, revised legal structures, unaccustomed limitations on activity are all necessary if we are to plan. \* \* \* It

amounts practically to the abolition of business. That is what planning calls for.

Continuing, Secretary Tugwell is on record that before we begin a program of economic planning—

We have a century and more of development to undo. \* \* \* The first series of changes will have to do with statutes, with constitutions, and with government. \* \* \* And it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police force for enforcement.

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis. It is literally meant. The essence of business is its free venture for profits in an unregulated economy. Planning implies guidance of the uses of capital. This would limit entrance into or expansion of operation. Planning also implies adjustment of production to consumption. There is no way of accomplishing this except through a control of prices and of profit margins.

But it is perfectly obvious that it is quite impossible thus to wreck the economic system upon which America has builded and has become prosperous without at the same time wrecking our Federal Constitution, which is the charter of our political and economic system. Secretary Tugwell, in his publication *Our Economic Society*, issued this year, and which is labeled "The factual background and the theoretical framework for the new deal, states that—

Economic planning is possible only when there is public ownership and control of the means of production.

The Secretary recognizes this runs counter to American ideals and traditions, for he states:

The real obstacle to economic planning is the set of ideals that we have carried over from an earlier day. \* \* \* We continue to think in terms of individualism and competitive profit seeking.

In the same book Secretary Tugwell sets forth the entire philosophy of the new deal, a philosophy which the President himself has repeatedly stated, namely, the philosophy of experimenting with the processes of government and with our industrial, commercial, agricultural, and financial structures, in the blind hope that some of the experiments may prove successful. Secretary Tugwell states it as follows:

The solution of the problems of our economic life can be found only through maintaining an experimental attitude toward those problems and through accepting a suggested solution for them only if it works.

The President states it thus:

If we cannot do this one way, we will do it another. Do it we will.

The American Constitution was not written for the purpose of running a government by guess. It makes no provisions for either the executive or legislative branches of the Government to operate by what this administration has been pleased to call "trial and error." Secretary Tugwell admits this in the following language:

The difficulty of attaining the experimental habit of mind toward social or economic arrangements arises largely from an emotional attachment to the instruments of social life. An illustration of such feeling is the unreasoning, almost hysterical, attachment of certain Americans to the Constitution.

Looking back over the period of 15 months since this administration came into power, it should be perfectly apparent to everyone that the steady, determined policy of the administration has been the destruction of the existing economic system, rather than an attempt to correct any shortcomings which may have been occasioned because of changing conditions. It also should be perfectly apparent that in order to carry out its purpose of wrecking our present economic system it has, as a necessary antecedent, sought to set aside or nullify the United States Constitution wherever and whenever it was an obstacle to its program.

As a result of this fixed policy of the Roosevelt administration, the control of our Federal Government, involving the regulation of practically all private enterprise, is rapidly passing from the legislative body which represents, or should represent, the people, to the executive branch of the Government.

The Constitution provides that in the legislative branch of the Government should be vested the power "to lay and collect taxes, duties, imposts, and excises."

Subservient Democratic majorities in both branches of Congress yielded that power to the President or his executive agents. It yielded directly to him the power to levy duties and imposts by its enactment of the so-called "reciprocal tariff law", by which the President is authorized and empowered to fix imposts and duties, without any right of review by Congress or without the guaranty of those affected by his rulings being granted a hearing. If, in the President's pleasure, they are granted hearings, they may be held as star-chamber proceedings without the right of appeal.

In the Agricultural Adjustment Act Congress abdicated its taxing power in that it conferred upon the Secretary of Agriculture the power to levy taxes upon processors of agricultural products, the rate of taxation to be fixed in his discretion. This power was exercised less than 6 months during the calendar year 1933, but in that brief period processing taxes amounted to \$150,000,000. Since that time the number of basic commodities, upon the processing of which taxes are to be levied, have been doubled. It is fair to assume, then, that this tax alone will lay a burden of over \$300,000,000 a year upon a limited number of industrial enterprises.

The National Industrial Recovery Act gave the President of the United States the most far-reaching and unlimited powers of any legislation ever passed by Congress. Under these broad powers the National Recovery Administration was set up. This organization has now imposed upon those coming under codes a tax which it is estimated will exceed \$100,000,000.

In these three instances we have striking examples of the taxing power passing out of the hands of the legislative branch, which is supposed to represent the people, into the hands either of the President or of bureaucratic officials neither elected by the people nor even holding a commission from Congress. This is a destruction of the fundamental principles of representative government, that a free people cannot be taxed except through their duly elected representatives, responsible to them alone. It was to accentuate this fundamental principle that the Federal Constitution provided (1) that in Congress alone should be vested the power to levy taxes, duties, and imposts; (2) that all tax measures must originate in the House of Representatives, which (3) must be elected every 2 years by the people in order that it may be compelled to render an accounting to the people for the manner in which it has handled its responsibilities.

The Constitution provides that in the legislative branch of the Government is vested the power to coin money and regulate the value thereof. It is impossible to overstate the importance of the representative branch of the Government retaining this power. Money is the medium of exchange among civilized peoples. To debase it is to rob the laborer of his hire, the husbandman of the value of the products of his soil as well as his labor, and the thrifty of the value of their savings or investments. To tamper with our circulating medium or to manipulate it is to render all future commitments so uncertain as to reduce all commercial intercourse to the level of pure speculation. Contracts of any kind calling for the future payment of money, either as compensation for services, labor, or products, become a mere gamble.

Such a situation exists today by reason of the Democratic Congress surrendering to the President sole control of our monetary policy, including the power to devalue the dollar, to go off the gold standard, to nationalize both gold and silver—which means its confiscation by the Government—and even to start the printing presses and issue paper money practically without limit. Congress abdicated its constitutional power to control the Nation's money in the Emergency Banking Relief Act, which became effective March 9, 1933, being the first one of a series of so-called "emergency measures" enacted by the last Democratic Congress. That

act permitted the Secretary of the Treasury to confiscate all gold and gold certificates. It permitted the issuance of an unlimited number of Federal Reserve bank notes based, not upon gold or silver reserves but merely upon securities held by Federal Reserve banks.

The abdication of its constitutional powers was continued by the Thomas amendments to the Agricultural Adjustment Act, approved May 12, 1933, which authorized and empowered the President to devalue the dollar as much as 50 percent and to start the printing presses for the issuance of paper money in the amount of \$3,000,000,000, based on no security at all except the mere fiat of the Government.

The Constitution vests in Congress the power "to regulate commerce with foreign nations and among the several States."

The reciprocal tariff law transfers from Congress to the President the power to regulate foreign commerce.

Title I, section 1, of the National Industrial Recovery Act specifically states the purposes of the act are to regulate interstate and foreign commerce. Section 2 specifically abdicates the right and power of Congress in this respect by authorizing the President to carry out the title of the act through such agencies as he may establish, operating under such rules and regulations as he may prescribe, and officered by such individuals as he may select, who will assume such duties and responsibilities as he may designate. That section even goes so far as to provide that employees of the agencies set up under this act shall be appointed without regard to civil service or the Classification Act.

No single piece of legislation ever enacted by any Congress, either in peace time or war, ever so completely abdicated the constitutional powers of the legislative branch of the Government and vested in the Executive of the United States such arbitrary and unlimited power.

Under the powers transferred to him by the National Industrial Recovery Act, all business and industry are brought under the rigid control of an executive bureau which may fix the hours of labor, rates of wages, rules of competition, price of products, conditions and methods of distribution of all classes of commodities, the right of an industrial plant to put in modern machinery or to make extensions, as well as its right to operate certain seasons of the year, plus a score of other regulations.

The National Industrial Recovery Act also abrogates the sanctity of contracts, in that it provides that even though an industry or group of industries adopts a code which is approved by the President, the President may, at any time within his discretion, modify any of the conditions agreed to in the code, and those under the jurisdiction of the code have no recourse whatever in the matter. In other words, under the National Industrial Recovery Act bureaucratic officials of the N.R.A. and the President virtually write and enforce all Federal legislation for industry and commerce.

Moreover, the President has held that the unlimited authority granted him by this act warrants him in suspending or revoking any Federal law which comes in conflict with the rules and regulations set up by the N.R.A. An example of this is furnished in the President's annulment of the Federal statute providing competitive bidding in connection with purchase of Federal supplies and equipment or public construction, and so forth, and the awarding of contracts to the lowest responsible bidder. The President has arbitrarily ruled that law, which is clearly in the interest of public economy and honesty, as well as in protection of honest concerns doing business with the Government, is to be ignored where the lowest bidder has not accepted an N.R.A. code or is not flying the Blue Eagle of the N.R.A. The material or equipment which he has agreed to furnish the Government may be the best obtainable in the market. Prices he quotes and the other conditions he offers may be the best terms offered the Government. There may be no question whatever regarding the responsibility of the bidder or his ability to comply with the conditions of his bid. But if he has not agreed to abide by whatever arbitrary rules and regulations a Federal bureaucracy has established for his particular industry, the President of the United States,

under power assumed by him by reason of the abdication of Congress, rules such a bidder cannot conduct any business with the Federal Government.

Furthermore, the President has nullified the Budget law, which provides that all estimates for expenditures of public funds must be submitted to the Director of the Budget for his approval before they are expended. From the very beginning, the various emergency set-ups ignored that law. The President admitted that fact in his annual Budget message to the Congress January 3 this year. He said:

Up to now there has been no coordinated control over emergency expenditures. Today, by Executive order, I have imposed that necessary control in the Bureau of the Budget.

Heretofore, emergency expenditures have not been subject to audit by the Comptroller General of the General Accounting Office. Today I am, by Executive order, reposing in him the authority to conduct such an audit and to continue to audit each such expenditure. Hereafter, therefore, just as in the departmental expenditures, there will be, in emergency expenditures, a pre-budget and a post-audit.

By reason of the fact that the Bureau of the Budget has had no control in the past over the various expenditures, obligations, and allotments made by the emergency organizations, the task of preparing the present Budget has been the most difficult one since the Budget and Accounting Act went into effect in 1921. These difficulties, in future years, will be substantially minimized by the control which I have established.

The same day he issued the order, which read, in part, as follows:

By virtue of the authority vested in me as President of the United States, it is hereby ordered that no further obligation shall be incurred for the expenditure of any emergency appropriation or other available emergency fund \* \* \* until estimates of expenditures from such appropriations or funds for the remainder of the fiscal year ending June 30, 1934, and the fiscal year ending June 30, 1935, shall have been approved by the Director of the Bureau of the Budget.

Following the protests of the bureaucratic officials of the several emergency set-ups, the President quietly rescinded that order 3 days later.

This action not only broke his public official pledge to the Congress and to the American people but it also gave his official sanction to the nullification of the Budget law, which itself was enacted to protect the taxpayers from unregulated and unwarranted expenditure of public funds.

The Constitution provides that "no money shall be drawn from the Treasury but in consequence of an appropriation made by law, and a regular statement and account of receipts and expenditures of all public money shall be published from time to time." This provision has, under this administration, become merely a figure of speech. Acting in response to a direct demand from the executive branch of the Government, the Democratic Congress turned over to the executive end of the Government billions of dollars to be expended by the executive agencies of the Government for whatever purpose and in whatever manner they desired. It has developed that millions of dollars have been expended by various bureaus for purposes which previous Congresses had decided were not necessary and, in some cases, against public policy. Under the guise of emergency, hundreds of millions of dollars of public funds have been thrown to the winds. Some of the money which Congress turned over to the absolute control of the President has been allocated by him to finance private incorporations which are neither directly nor indirectly answerable to the Congress. Furthermore, by the Gold Reserve Act, which became effective January 30, this year, the Congress turned over to the Secretary of the Treasury \$2,000,000,000 to be used in secret by him in whatever way he desired and for which he should not make any accounting for 3 years. That was a direct nullification of that section of the Constitution which mandates "a regular statement and account of receipts and expenditures of all public money."

No such betrayal of the rights of a free people has ever been recorded as that committed by the Democratic Congress which was elected to represent and protect the people. It ceased to be a coordinate branch of the Government. It became merely a rubber stamp for the Executive. It retained for the legislative branch of the Government only minor peace-time powers. It went as far as it could to set

up a dictatorship, excusing itself upon the ground an emergency existed and hiding behind the plea that, after all, the dictatorial powers it had vested in the President would not, in his wisdom and benevolence, be used. It was content, even eager, upon receiving orders from the Executive end of the Government to abase itself until it has become a body with less power than some of the bureaus and bureaucrats which have been set up by reason of its abdication.

The Democratic Congress subscribed to the un-American philosophy of Secretary Tugwell, who exclaimed that the principal difficulty in destroying our present economic system, putting the Government in control of all production and eliminating the individual as a factor in social and economic life, was "an unreasoning, almost hysterical, attachment of certain Americans to the Constitution." Secretary Tugwell would not find many such "hysterical Americans" among the Democratic majority in either branch of Congress. That Congress not only did practically all it could to destroy the safeguards set up by the United States Constitution, protecting the rights and liberties of the individual citizen, but it traveled far along the road toward Government control of all business and means of production, the elimination of private property, the regimentation of every private industry, the rigid discipline of the daily activities of the private citizen, and "the laying of rough, unholy hands on sacred precedents, doubtless calling on an enlarged and nationalized police force for enforcement", which Secretary Tugwell remarked in his recent work, described as "the factual background and theoretical framework for the new deal."

Despite the pledge the Democratic Party made in its platform to remove government "from all fields of private enterprise except where necessary to develop public works and natural resources", there is no field of private enterprise into which the Federal Government was not thrust by legislation enacted by the last Democratic Congress.

First and most important, of course, was the invasion of all private enterprise, embraced in the field of business and industry, by the National Industrial Recovery Act. Through instrumentalities set up by that act every activity of every industrial and commercial enterprise in the United States is policed. According to the President's Executive order agencies of the Federal Government may not patronize, in the purchase of any of its supplies or equipment, any concern which has not subscribed to a code or the President's unemployment agreement.

This same proviso was embodied in the President's unemployment agreement, thereby binding all those who signed that agreement, whether a small individually owned store or a Nation-wide corporation, to boycott any and all concerns which did not subscribe to the N.R.A. This introduction into American social and economic life of that vicious, un-American weapon of a boycott, which is the most odious practice of European dictatorships, should condemn in the minds of all liberty-loving, upright citizens the entire new-deal administration, insofar as it is reflected in the practices of the N.R.A. Under the N.R.A. all the details of a business concern and all the processes in an industrial plant between the purchase of raw material to the sale of the finished product are rigidly regimented by rules and regulations not written by Congress but promulgated by bureaucrats.

What the National Industrial Recovery Act has done in the way of policing private enterprise in the field of industry and commerce, the Agricultural Adjustment Act, the Cotton Control Act, and the Tobacco Control Act have done to agriculture. No longer is the American farmer a free man. No longer is he allowed, under penalty of criminal prosecution, to till the acres of his own land which is his own property, honestly acquired and paid for out of the sweat of his own toil and the accumulations of his own thrift. It is incredible that the American farmer will long tolerate the practices which the "brain trust" have imported from Russia and sought to fasten upon him. For centuries the European peasant has bowed his neck and meekly accepted the yoke of arrogant officialdom, submitting without protest

to the petty tyrannies and the burdensome exactions of a clique of officials located somewhere at the seat of his government.

But the American farmer should keep in mind during the approaching campaign that it was the Democratic Congress, carrying out the orders of a Democratic Executive and his "brain trust", which has sought to fasten upon American agriculture this system of serfdom, and which is asking a vote of approval at the hands of the American farmer in order that this Russian importation may become a permanent factor in the life of American agriculture.

The last Democratic Congress enacted legislation regulating exchanges selling stocks, securities, and commodities. Many of the provisions of this new legislation were needed. They were not opposed even by those officially connected with the various exchanges of the country. The dangerous part of the legislation, however, was clauses which will enable the new bureau, created by the legislation for the purpose of carrying out its provisions, to interfere with and to control, in a great measure, the business of all corporations whose stocks or securities are listed and sold on the stock exchange.

The last Democratic Congress enacted legislation looking to the control of all wire and radio communications. This carried with it the control of all corporations or companies engaged in such enterprises. It is claimed there is nothing strange in the provisions of this law; that it marks no departure from well-established practices of the Federal Government. It is argued that it is merely the extension to all wire communications of the principle involved in the interstate commerce law, which regulates all transportation companies. That is true, in a measure. But the menace in this law lies in the fact that it contains provisions which, in the hands of its administrators, may establish a censorship over the public press and the radio.

By various legislative enactments the last Democratic Congress has put the Government in complete control of all of our banking system and with it the granting or extension of all private credit. This also is an introduction into the American economic system of vicious practices which prevail in many European dictatorships. Under this system banking credit is not extended to the individual, the firm, or the corporation upon the basis of their assets, or their good character, or their ability, or, in the case of the business enterprise, its goodwill, its actual or reasonably sure market, only and except those seeking credit also subscribe to the political theories and practices of those who sit in places of authority.

Proof of this is found in the agreement drawn up for the banks by the Reconstruction Finance Corporation in September 1933, publication of which was made in the newspapers of October 1, 1933. That agreement stipulated that banks obtaining money from the R.F.C. for the purpose of making industrial loans would not be permitted to make any loans to any industry which had not subscribed to the rules and regulations set up by the N.R.A. or had not subscribed to the President's reemployment agreement.

This policy is further emphasized in the act passed this week, giving the R.F.C. authority to make industrial loans over a period of 5 years. It now develops that one of the conditions imposed by the R.F.C. is that industries extended credit under the provisions of that act must be members of the N.R.A.

As if all this bureaucratic control of the activities and processes of commerce and industry, agriculture, and finance were not sufficient to give this new-deal administration a stranglehold on all private industry and individual initiative, there has been erected a system of private corporations officered by appointees of the President and financed out of the Public Treasury by his direction. The articles of incorporation for these various set-ups were taken out in the State of Delaware. The recital of the powers and privileges of these various corporations forms the most astounding chapter in the economic history of this country. They put the United States Government squarely into every conceivable kind of private business as either a potential or

actual competitor of every individual, partnership, or corporation which is engaged in business.

Contrary to the publicity-seeking characteristics of the new deal, the setting up of these corporations, their purposes, their power, their officers, the method of their financing, have been kept from the American people insofar as any of the multitude of publicity agencies of this administration are concerned. There has been an attitude of secrecy, a lack of candor upon the part of the administration regarding these privately organized but publicly financed State corporations. Even the manual put out by the National Emergency Council, purporting to be the official administration textbook of all the Federal activities, studiously and adroitly conceals from the public the real characteristics and the significant import of these Delaware corporations.

The four outstanding Delaware corporations officered by appointees of the President, financed out of the Federal Treasury, and organized for the purpose of conducting any and all varieties of private business in the United States are, named in the order of the dates of the issuance of their certificates of incorporation, the Federal Surplus Relief Corporation, October 4, 1933; the Public Works Emergency Housing Corporation, November 16, 1933; the Federal Subsistence Homesteads Corporation, November 21, 1933; and the Electric Home and Farm Authority Corporation, January 13, 1934.

To show how the public has been misled by the officials of this administration regarding these corporations, the administration's statements regarding the organization of the Federal Surplus Relief Corporation will serve as an illustration. The preliminary announcement of the set-up of this Corporation was made from President Roosevelt's special train October 1, 1933, while en route to Chicago to address the American Legion Convention. It was handed to the press by the President's personal secretary, Mr. Stephen T. Early, and began as follows:

The President announced today he has instructed Harry L. Hopkins, Federal Relief Administrator, to take the leadership in prompt organization of a nonprofit corporation, of which Mr. Hopkins is to become chairman, for the purpose of buying the necessities of life and distributing them among the needy unemployed.

From that time on nothing was given out by administration circles regarding that Corporation, which obtained its charter in the State of Delaware 3 days after this announcement was made. It was incorporated under the title Federal Surplus Relief Corporation, with its principal office and place of business in the city of Wilmington, Del.

Instead of being merely a handy agency to buy surplus food products and redistribute them among the unemployed, thereby helping both the farmer and the idle laborer, it is quite another organization. It is empowered:

(a) "To perform any and all functions and exercise any and all powers that may be duly delegated to it" by either the Agricultural Adjustment Administration or the Public Works Administration or the Federal Emergency Relief Administration.

(b) It is empowered to accept grants and deliveries in any State, district, Territory of the United States, "or in any and all foreign countries of moneys, commodities, lands, or other property of any class, nature, or description."

(c) It is empowered "to carry on any or all of its operations and business and without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey, or otherwise dispose of real and personal property of every class, nature, and description in any State, district, Territory of the United States, or in any and all foreign countries."

Section 8 of the articles of incorporation stipulates that "all the books, records, papers, vouchers, and documents of this corporation shall, at all reasonable times, be open to the inspection of each member of the corporation", which clearly indicates that the incorporators regard this as a private corporation whose records are not to be public property. Obviously it would not be necessary to put that clause in if they regarded their affairs as being on an equal footing with

those of any of the regular Government departments or bureaus.

Section 6 provides the corporation "is to have perpetual existence."

Section 9 provides "the corporation reserves the right to amend, alter, change, or repeal any provision contained in this certificate of incorporation" in any manner provided by the statutes of the State of Delaware.

Without going into details regarding the powers given the other three Delaware corporations, it may be said that, in the aggregate, these privately incorporated organizations, financed by Federal funds and officered by Presidential appointees, invade practically every field of private enterprise, prepared to enter into active competition with whatever class of private industry or business they are authorized to conduct.

Among them they are incorporated to engage in manufacturing of all kinds of commodities; in the wholesale distribution and retail sale of those commodities, even to selling them on the installment plan and conducting a chattel-mortgage-loan business in order to carry the customers; to engage in public transportation; to engage in the manufacture and distribution of gas and electricity, heat and steam; to construct, buy, sell, maintain, operate, or lease any and all kinds of structures, either factories, apartment houses, private residences, business blocks, storage plants, warehouses, and any and all structures of every description; to perform and do any and all acts done and performed by architects, engineers, general contractors and construction companies; to buy and sell real estate either in this country or in any foreign country; to buy and sell personal property either in this country or in any foreign country; to buy, sell, hold, use any franchises, patents, copyrights, inventions, licenses, concessions, trade-marks, either in this country or any foreign country; to construct power plants, operate mines, buy and sell or operate farm lands and commercial establishments; to enter into, make, and perform contracts of every kind and description with any person, firm, association, or corporation, either in this country or any other country; to make loans to any person, firm, association, or corporation in this country or any other country; "to manufacture, trade, and deal in goods, wares, and merchandise and personal property of every class and description"; to engage in a general brokerage business, buying and selling and turning to account or realizing upon any kind of securities, stocks, bonds, and so forth, created or issued by individuals, associations, corporations, syndicates, and so forth, "irrespective of their form or the name by which they may be described"; to underwrite in any manner any corporation and to guarantee the payment of dividends upon any stock, and the principal or interest, or both, upon any bonds or other obligations of any corporation; conduct mergers of corporations; to mortgage or sell any real or personal property or other assets.

This is done by the administration which was elected upon a platform which promised to remove the Federal Government from every field of private enterprise. It is being done under the direction solely of the President of the United States, who stood before the convention which wrote the platform and stated he was 100 percent in favor of it. Due to these privately incorporated organizations, any manufacturer may wake any morning to find the Government of the United States, financed out of the Federal Treasury, is his active competitor. Any merchant may learn any day of the Government's establishing a competitor next door to him or across the street, selling goods made by a Government factory and selling them on the installment plan, the whole operation financed and carried by the Federal Treasury. Construction companies, transportation companies, public-utility companies, individual contractors, manufacturers of builders' supplies of any and all description are living in daily menace of such Government competition.

These are all in addition to the invasion of the field of private enterprise under other legislation which has been enumerated.

On top of all this, the American people find that after 15 months of the new deal their constitutional guaranties

and protection have been wiped out. A subservient Democratic Congress has surrendered its constitutional power to levy taxes and tariffs, to control the kind and volume of the Nation's money, to regulate the expenditure of the public's funds, to regulate foreign and interstate commerce.

What is the effect?

Let labor give its testimony. In the June issue of Monthly Survey of Business, issued by the statistical department of the American Federation of Labor, in giving figures showing that there were still 10,600,000 unemployed in April of this year, the following comment is made:

It is clear, with the end of spring activity, that business is not yet ready to go ahead on its own and must still depend on Government funds. Business firms still do not feel justified in borrowing money for expansion or the replacement of equipment that would put millions of men to work and start business going, and banks are not ready to loan money for such undertaking. \* \* \* Business men have not enough confidence in the future to undertake the financial commitments necessary for the work. In the last month business confidence has collapsed, and many firms are reducing their activities to the barest minimum.

What caused this loss of confidence? Chiefly the difficulties of major economic adjustments now in process. Business men postpone every possible expense because they see ahead no sure promise of profit. Regulation of industry by the codes, regulation of the stock market by new legislation, regulation of banks for deposit insurance, all necessitate major adjustments on the part of business. Added to this is the uncertainty as to what further regulation and what monetary measures Congress might pass and the lack of any satisfactory agency with authority to adjust labor difficulties.

The survey states that in the heavy or durable-goods industries alone there are 3,300,000 individuals out of work and that unemployment is centered in those durable-goods industries. The survey further states that there are 2,700,000 more unemployed who would be put back to work if the durable industries became active. This additional 2,700,000 would be employed in transportation and consumers' goods activities.

What is holding up the durable-goods industries? A committee representing those industries was selected March 7, 1934, at the request of General Johnson, Director of the N.R.A., for the purpose of making an investigation and a report regarding the situation in the durable-goods industry. This committee made its report as of May 14, 1934. Here are some of the things it stated:

Business cannot make long-range plans without assurance that our monetary policies will not be subject to sudden and arbitrary changes. Such changes destroy confidence and work against economic recovery. \* \* \* A stabilized dollar is needed in order that business may again plan for the future.

Here is another one of its conclusions:

Government can do no one thing as important as to encourage a widespread public confidence by exhibiting its own firm faith in recovery and by refusing to countenance measures that are inconsistent with our existing economic system.

And here is another of its conclusions:

Measures for coercive Government control of industry are inconsistent with American principles, and such measures can have no other effect than to kill confidence and indefinitely delay recovery.

In another statement issued by this committee, under date of April 12 and addressed to the N.R.A. code authorities and code committees, it pointed out that in the durable-goods industries, directly and indirectly, there were 5,000,000 unemployed, and that the first requirement "for even partial recovery in these industries" is "the restoration of confidence in the Government's future policies."

In that same statement the committee said:

The conclusion is clear that we are gradually enforcing the nationalization of productive wealth. Increasing amounts of Government money in productive enterprises must inevitably result in an increasing degree of direction, regulation control and operation by Federal agencies.

Labor testifies that the failure of the recovery program is due to the program itself; that it breeds fear instead of confidence; that it tears down instead of building up; that it adds to the confusion and uncertainty instead of making the way clear and the path smooth.

Industry testifies the failure of the so-called "recovery program" is due to the fact it has destroyed confidence

among those who would employ 5,000,000 men now idle, that it has destroyed this confidence by giving support to measures that are inconsistent with our existing economic system, that it has introduced the principle of coercion and compulsion into the American economic system, and that these elements are foreign and obnoxious to the American individual.

But these things which labor and industry say are preventing recovery are just the things which Secretary Tugwell, acting as spokesman and interpreter of the new deal, states must be done. Again read his words as to what the program of economic planning under the new deal means:

New discipline, revised legal structures, unaccustomed limitations on activity, are all necessary if we are to plan. \* \* \* It amounts practically to the abolition of business. \* \* \* That is what planning calls for.

We have a century and more of development to undo. \* \* \* The first series of changes will have to do with statutes, with constitutions, and with governments. \* \* \* And it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police force for enforcement.

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis. It is literally meant.

In his inaugural address President Roosevelt stated the factor which had to be combated was fear. Yet 15 months of his administration have only increased and accentuated fear.

Fear among all Americans who revere their Constitution and regard it as a guaranty of their liberties.

Fear among every individual who knows that the Government he was taught to respect and to which he looked for protection has practically disappeared, to be replaced by a government of bureaucrats whom he did not elect, over whose actions he has no control and from whom he can demand no accounting.

Fear among everyone who has any investment because by this time it is perfectly apparent that the main objective of this new-deal administration is to punish those who have earned and saved money, to redistribute wealth by taking it from those who have been thrifty and passing it to those who have been and still are shiftless.

Fear among those who have investments in any sort of productive enterprises because the avowed purpose of the new deal, under the Tugwell philosophy, is to wipe out the system of private profits, which means wiping out dividends and all other forms of return on investment in any kind or productive enterprise, commercial, industrial, financial, or otherwise.

Fear among those who have acquired property in any form; they have seen the President of the United States issue an edict confiscating all gold money and gold certificates, and making, by Executive decree, a criminal of the American citizen who dared defy that edict. No one disputed that those who possessed gold possessed it lawfully and honorably. When they came in possession of it and at the time of the President's edict, it was the standard of our monetary system. It was legal tender over every counter in the country. It merely represented property, something the holder of it had acquired either through sale of his labor, his services, or some of his material assets. That he preferred to hold what he had accumulated in the form of gold was nothing criminal. It was not reprehensible. It was merely the exhibition of thrift and integrity. It was on all fours with every other kind of property insofar as it represented the honest possession of a competence honestly acquired.

They have seen a subservient Congress give the President power to do exactly the same thing in regard to silver money.

They have seen the executive agencies of the Government confiscate an arbitrary percentage of American farms under an edict that the man who owned the farm could not use that percentage of it to assist him in earning a livelihood

and reaping a return from his investment. They have seen these same agencies issue an edict that on the remaining portion of his farm the farmer could not sow and reap certain crops; or, if he did, they could be planted and harvested only in limited quantity.

They have seen another Federal agency arbitrarily decree that an industrial plant must close down because it refused to acknowledge either the legality or the economic common sense of a regulation set up by that agency.

They have seen other industrial plants denied the permission to increase their efficiency, to improve their equipment, because such action ran counter to another arbitrary rule set up by this agency.

They have seen thousands of wage earners, eager to work, able to work, satisfied with the conditions, wages, and hours of their employment, forced into idleness because of the edict of some Washington bureaucrat clothed with a little brief authority by the new-deal administration.

All this is being done in the name of "planned economy."

But seeing these things a matter of daily occurrence, what feeling of security can rest in the minds of any American that tomorrow his property, be it land or gold, may not be seized under some new regulation of new-deal bureaucracy?

Why should anyone having an accumulation desire to invest it in any sort of enterprise that might reap a reward for themselves and furnish employment to others, in the face of the announced policy of the new deal and its master spokesman, that one of the prime objects of this administration is to abolish private property and transfer all private enterprise to Government control and operation?

We are reminded of a passage in the Federalist, written almost 150 years ago:

What prudent merchant will hazard his fortunes in any new branch of commerce when he knows not but that his plans may be rendered unlawful before they can be executed? What farmer or manufacturer will lay himself out for the encouragement given to any particular cultivation or establishment, when he can have no assurance that his preparatory labors and advances will not render him a victim to an inconstant government? In a word, no great improvement or laudable enterprise can go forward which requires the auspices of a steady system of national policy.

It is this system which the new deal desires continued. It is approval of these policies and a commission from the people to continue them that it seeks in the approaching congressional elections. In order to gain favor it is using funds out of the Federal Treasury literally to purchase its continuance in power.

Already high officials of this administration are traveling over the country, telling the public how much money the administration is pouring into their communities in the form of relief work, bonuses, loans, and so forth, and then raising the question as to whether it would not be base ingratitude upon the part of the voters of that community, in view of the favors granted them by the administration, to refuse to give it a vote of confidence.

Such tactics should condemn the new deal in the mind of every reputable citizen rather than furnish a motive for his support of it. It should be an insult to the intelligence and the patriotism of every American citizen to whom such a plea is addressed, either directly or indirectly, either by word of mouth or by written propaganda turned out from any one of the more than 100 press bureaus established in Washington under this administration and paid for out of the funds of the Federal Treasury.

In the first place, the hundreds of millions of dollars which this administration is pouring into the several communities does not belong to it. It belongs to the American people. Every dollar given away for any purpose the American people have to replace through the medium of heavy taxes. It might be interesting to reduce this situation to some common denominator that is readily understood.

This fiscal year began July 1, 1933. It closes June 30, 1934. Taking the figures from the United States Treasury statement as of June 15, 1934, we find the following facts:

*Receipts, expenditures, and deficit for the first 350 days of the fiscal year ending June 30, 1934 (July 1, 1933, to June 15, 1934)*

Receipts.....	\$2,907,571,953
Expenditures.....	6,669,095,044
Deficit.....	3,761,523,091
Reduced to per diem basis:	
Receipts.....	8,307,348
Expenditures.....	19,054,557
Deficit.....	10,747,209
On basis of per minute:	
Receipts.....	5,769
Expenditures.....	13,232
Deficit.....	7,463

In the first 350 days of this fiscal year under the new deal the Government spent \$2.29 for every \$1 it took in.

Pledged to eliminate Government commissions and bureaus or reduce their number, pledged to public economy to the extent of reducing the expenditures of our Government 25 percent, this administration has within 350 days created the greatest peace-time deficit ever known in the history of America. It has set up between 40 and 50 new bureaus, each one with the avowed purpose of spending the taxpayer's money and regimenting his life and activities. Congress in its closing days authorized the creation of four more bureaus to spend money to put private enterprise in a strait-jacket. To man these new bureaus the new deal has added to the Federal pay roll 80,621 employees. On February 28, 1933, 4 days before this administration came into power, the number of Federal employees, both within and outside of the District of Columbia, was 563,487. As of April 30, 1934, the total number of Federal employees was 644,108. These figures are taken from the official reports of the United States Civil Service Commission.

Furthermore, it is a matter of national scandal that this addition in the number of Federal employees is not necessary for the conduct of the Government's business, even with the addition of between 40 and 50 new bureaus. The bulk of this additional Federal pay roll is purely political patronage. The bulk of the increase in the number of employees is in the new bureaus, all of which, under legislation, are exempt from civil service, and all of which are being jammed with henchmen of followers of this administration. This is evidenced by the figures given out as of April 30, 1934, by the United States Civil Service Commission. (See table B.)

TABLE B.—List of Federal agencies not under civil service, together with the number of employees they had as of April 1934

Department or office	In District of Columbia (total)	Outside District of Columbia	Grand total
Merchant Fleet Corporation.....	372	96	468
Railroad Administration.....	7	7	14
War Finance Corporation.....	2	2	4
Federal Reserve Board.....	264	29	293
Farm Credit Administration.....	2,439	5,239	7,678
International Joint Commission.....	6	6	12
International Boundary Commission, United States, Alaska, and Canada.....	5	5	10
International Boundary Commission, United States and Mexico.....		26	26
Reconstruction Finance Corporation.....	1,471	1,731	3,202
Federal Home Loan Bank Board.....	299	1	300
Federal Emergency Relief Administration.....	159	29	188
Civil Works Administration.....	362	15	377
Federal Surplus Relief Corporation.....	178	5	183
Federal Coordinator of Transportation.....	99	24	123
Tennessee Valley Authority.....	24	9,149	9,173
Federal Emergency Administrator of Public Works.....	2,147	1,432	3,579
National Industrial Recovery Administration.....	2,989	705	3,694
National Labor Board.....	48	89	137
Central Statistical Board.....	13	13	26
National Recovery Review Board.....	29	29	58
Home Owners' Loan Corporation.....	1,552	12,246	13,798
Emergency Conservation Work:			
Director's office.....	40	40	80
Agriculture.....	81	12,873	12,954
Interior.....	154	5,822	5,976
Labor.....	1	1	2
War.....	558	5,438	6,000
Treasury, Public Health.....		8	8
Commodity Credit Corporation.....	51	15	66
Export-import banks.....	4	4	8
Office of Special Adviser to the President on Foreign Trade.....	39	39	78
<b>Total.....</b>	<b>13,402</b>	<b>54,972</b>	<b>68,374</b>

At the close of business June 30, this year, this Government will have an interest-bearing public debt of not less

than \$29,500,000,000—a greater public debt than existed at the end of the World War. The closing days of this Congress authorized a specific increase of \$1,500,000,000 to this public interest-bearing debt. The President himself estimated that to meet the promises this administration has made for the coming fiscal year there will be a deficit next year of not less than \$3,000,000,000, which would add that amount to the interest-bearing public debt.

So the American people face the carrying of a public debt of not less than \$35,000,000,000. Already 40 percent of our national income, which means the total amount of income of all people of all classes, represented by wages, fees, dividends, and so forth, is consumed in taking care of the expenses and interest charges of our National, State, and local governments. Notwithstanding that fact, this administration continually piles up new taxes to eat up more of our aggregate income and wealth.

The last session of Congress, by the new revenue act, added \$417,000,000 to the Nation's taxes.

In addition to this, the Secretary of Agriculture, under the vast powers given him by Congress, during the last 5 months of 1933 added \$150,000,000 in processing taxes on seven agricultural products. The last session of Congress increased this number by 6, making 13 agricultural products upon which processing taxes will be levied this year. It is very conservative upon this basis to assume that this year the Secretary of Agriculture will levy over \$300,000,000 of special taxes on our Nation's industries.

The National Recovery Administration, under the power vested in it by the President, who, in turn, exercised his authority by reason of Congress abdicating its rights, is now levying upon all those under a code a special tax which it is estimated will amount to \$150,000,000.

In addition, the increase in gasoline taxes and prices as the result of the N.R.A. and the oil code is \$1,000,000 a day to the motorist, or \$365,000,000 a year. This is an increase over and above what the motorist previously paid.

Summing it up, we find this administration, which promised to bring about economy and a lightening of the burdens upon the people, has added \$417,000,000 in taxes directly by an act of Congress, \$450,000,000 more in special taxes levied against industries which are passed on to the people in the price of everything they buy, and \$365,000,000 levied upon those who own and operate motor vehicles. This is an additional burden of \$1,232,000,000 placed upon the backs of the people by this administration in less than 1 year, and despite this additional revenue it is paying out every minute of the 24 hours of every day \$7,463 more than it is collecting.

Well might the people of today exclaim in the language of the Declaration of Independence:

He has erected a multitude of new offices and sent hither swarms of officers to harass our people and eat out of their substance.

The issue before the people to be settled at the coming congressional election is whether or not they approve of these practices which are bankrupting our Government, making impossible recovery of material prosperity, and leading to the certain destruction of the liberties of every American citizen.

It is said the new deal appeals to the youth of the land, that it fulfills their ideal of what a government should be. I challenge the accuracy of that statement. There is nothing in the new deal which should appeal to any young man or young woman desirous of winning for themselves a place of responsibility, honor, and independence; of accumulating for themselves a competence and of leaving to their children political and economic conditions better than they themselves have experienced.

What is there in the new deal that appeals to the rising generation? Under its philosophy of government they are all to be cut according to the same model. No one is to be permitted to step ahead of his associates. Ability is to count for nothing. Initiative is ruled out. Individualism is to be made a penal offense under the regimentation visioned and partly realized by the new deal.

The rising generation desiring to enter into any line of business or industry or agriculture would find advancement

upon the basis of intelligence, industry, thrift, and diligence is forbidden beyond a certain point, which point is fixed by a bureaucrat in Washington.

How he might run his business or his factory or his farm would be made the subject of a series of bureaucratic orders. The wages he might pay for his labor and the prices he might ask for his products would be determined neither by the industry or value of those he hired or the quality of the article he produced and the public demand for it, but by a regulation decided upon by some bureaucrat in Washington who had no first-hand knowledge or practical experience in operating any of the enterprises for which he writes rigid regulations.

If the philosophy of the new deal prevails—and it will prevail if the people this fall elect another subservient Congress—the young man of today who will become the business man of tomorrow will have no voice whatever in the management of his business. The conditions under which he may buy and sell, the hours he may keep his place of business open, the conditions under which he may operate his business, even to the character of his advertising, will be communicated to him in an order from Washington.

The young man of today who may become the farmer of tomorrow will be told how much of his land he must keep unproductive, receiving from it no income whatever. He will be told what kind of crops he may raise upon that portion of his farm which he is permitted by a Washington bureaucrat to cultivate. There will be a limit set even upon the amount of such products he may raise. He will be told the conditions under which he must market those products. Nothing is to be left to his judgment or his needs.

In other words, the rising generation will have the door of opportunity closed. They will all be reduced to a mere cog in the machinery of a Russianized form of government. They will all be working for the State rather than for themselves. They will all be reduced to the dead level of that mediocrity which prevails in every country which denies to the individual the right to exercise his talents to the utmost—to risk, to venture, to pioneer, and, if successful, to reap the profits of his initiative.

In addition the rising generation will face the necessity of paying off the debts incurred by this new deal, even though its philosophies are rebuked next fall. This burden alone will make it increasingly difficult for the future generation to get ahead. Nothing renders industry and thrift, both upon the part of the individual and of the community, so futile as the taxgatherer, who makes his regular rounds to take from those who have practiced thrift and industry their accumulations. Nothing so deadens ambition as the certain knowledge that one will not be permitted to enjoy the fruits of one's efforts, but will be compelled to turn it over to pay the bills of a profligate Government.

And, finally, the rising generation, if the philosophy of this new deal is approved at the polls, will face a bureaucratic Government which has practically nullified our Federal Constitution. That is the most serious of all prospects, for the Constitution was written not for the rich or the strong or those who occupy places of authority or sit in the seats of the mighty, but for the humble citizen.

The moment the guaranties of the personal rights of the individual citizen are abolished by the nullification of the Constitution, it then becomes a struggle for the survival of the strongest and the most powerful. Every man is then free to invade the field of every other man's rights. Such a process has but one conclusion. Those who have the power, the wealth, and the cunning control the Government and compel all others to do their bidding. Surely the youth of this country are not prepared to endorse any administration which seeks to bring about any such conditions.

The American people today face much the same general situation they faced in the years immediately prior to the Civil War, the years which witnessed the organization of the Republican Party. The American people of today would do well to emulate the example of the American people of that

period. They realized the real issue was the continuance of this Government under the Federal Constitution. Nothing else mattered. All other issues were trivial. All over this land in that period men gathered in informal meetings and in formal conventions and resolved that, regardless of their former party affiliations or their individual views upon economic policies, they would band themselves together and stand and fight until it was determined that this country should remain a nation of free people, with a constitutional government that protected the liberties of the most humble citizen and guaranteed to him the right to win his way in the world to whatever heights his ability, his thrift, his sobriety, his industry entitled him.

The Republican Party stands for that philosophy of government. That right and opportunity it guarantees to the young man and young woman of today if it is permitted to control the destinies of this Nation.

#### EXTRAVAGANCE

Mr. TABER. Mr. Speaker, the money that the first and second sessions of the Seventy-third Congress have made available to the administration to spend on new-deal experiments presents an unheard-of picture of extravagance.

In throwing together the figures which make up this story we are obliged to include every item where the Congress has made funds available to the administration to spend or to loan where either a direct charge comes on the Treasury or a bond obligation comes on the Treasury.

The total for the first session, ending June 16, 1933, was \$4,619,097,956.25. The total for the second session was \$17,596,167,376.83, and the grand total for the Seventy-third Congress was \$22,215,265,333.13.

I am submitting with this a detailed statement of what this money was for. Every single item is covered by a law. There is not one cent of this money which either has not been spent, or cannot be spent by the Executive without asking the permission of Congress. There is not one cent of obligations to be incurred that cannot be incurred by the Executive without any further permission or action by Congress.

It is a record of extravagance and disregard of any sense of responsibility to the taxpayers of the United States beyond the wildest dreams. The Federal deficit for these 2 fiscal years, 1934 and 1935, will run approximately \$16,000,000,000. They have made these appropriations without having any money in the Treasury to meet them, or any prospects of any money except such as comes from sale of Government securities.

The very size of these appropriations tends to destroy business confidence and to prevent the recovery which those of us who have been fighting for recovery want to see. We will never be able to stop these expenditures unless we put taxes enough on the people each year to meet what we are paying out, and wake them up to a sense of what is going on here in Washington.

The Government admits to a national debt now of \$1,000,000,000 above the war-time peak, but in figuring that up they have omitted all existing liabilities on guaranteed bonds which run into several billions of dollars.

For purposes of comparison I have prepared a table, which I submit, showing the appropriations by Congresses covering the Seventy-first, Seventy-second, and Seventy-third Congresses so that the people can see what has happened in the Seventy-third Congress under the Democratic administration. Each Congress covers a period of 2 years. The Seventy-first and Seventy-second Congresses were under a Republican President.

The Seventy-third Congress shows the result of the Democratic spending program with average appropriations of \$11,000,000,000 a year:

Seventy-first Congress.....	\$8,706,203,659.81
Seventy-second Congress.....	9,102,421,764.87
Seventy-third Congress.....	22,215,265,335.13

Including governmental corporations, our national debt is at least thirty billions. It is increasing at the rate of ap-



proximately forty million for each day of the week, including Sunday. If it continues at the same rate for a year, our national debt will be between forty-two and forty-five billions at the end of the fiscal year 1935.

The spending program is destroying confidence in business. It is keeping people out of legal gainful employment and throwing countless millions on relief rolls. It is preventing the return of prosperity, and the only way we can ever bring recovery about is to stop such gigantic spending.

The salvation of the country lies in the election of a Republican Congress this fall.

APPROPRIATIONS BY SEVENTY-THIRD CONGRESS  
First session

Capital stock, Federal Deposit Insurance Corporation	\$150,000,000.00
Agricultural Adjustment Administration	100,000,000.00
Emergency Banking Act	2,000,000.00
Miscellaneous items	22,608.66
District of Columbia	30,375,834.00
Federal savings-and-loan associations	50,000,000.00
Independent offices	625,842,286.00
Federal land banks	50,000,000.00
First deficiency bill	994,597.55
Fourth deficiency bill	3,610,062,630.04
<b>Total</b>	<b>4,619,097,956.25</b>

Second session

<b>Regular:</b>	
Agriculture	62,621,673.00
District of Columbia	35,411,177.94
Independent offices	588,574,714.00
Interior	31,474,319.00
Legislative	25,075,595.00
Navy	284,658,799.00
State, Justice, Commerce, and Labor	88,884,522.00
Treasury and Post Office	\$819,721,370.00
Treasury permanent	1,363,494,072.00
<b>War</b>	<b>2,183,215,442.00</b>
	316,228,991.00
<b>Total</b>	<b>3,616,145,232.94</b>

Extra:

Relief and C.W.A.	950,000,000.00
Salaries of governmental employees	90,000,000.00
Veterans' increases	100,000,000.00
Farm loan	200,000,000.00
Crop-production loan	40,000,000.00
Cash in deficiency bill	1,825,038,393.16
R.F.C. in deficiency bill	750,000,000.00
Appropriation of allocated funds in P.W.A. allotments carried in deficiency bill	1,500,000,000.00
Gold stabilization fund	2,000,000,000.00
Chinch-bug appropriation	1,000,000.00
Housing insurance fund	200,000,000.00
Insurance on mortgages on existing loans and low-cost housing projects	1,000,000,000.00
Savings-and-loan insurance corporations	100,000,000.00
Increase in bond capacity of Home Owners' Loan Corporation	1,200,000,000.00
Home Owners' Loan Corporation bond guaranty	2,000,000,000.00
Federal farm-mortgage bond guaranty	2,000,000,000.00
Philippines—bill to pay bonus on money	23,862,750.78
Miscellaneous deficiency resolution	121,000.00
<b>Second session, extra</b>	<b>13,980,022,143.94</b>
<b>Second session, regular</b>	<b>3,616,145,232.94</b>
<b>Total, second session</b>	<b>17,596,167,376.88</b>
<b>Total, first session</b>	<b>4,619,097,956.25</b>
<b>Grand total</b>	<b>22,215,265,333.13</b>

ON THE MERITS OF THE JENKINS AMENDMENT TO THE CARTWRIGHT ROAD BILL

Mr. JENKINS of Ohio. Mr. Speaker, the Jenkins amendment provides that of all money provided in the Cartwright bill, 25 percent is to be used for the improvement of rural mail routes, school bus routes, and country roads generally.

The Cartwright road bill marks a long step forward in road legislation. The legislation that provided \$400,000,000 for roads in 1933 was a part of the National Industrial Recovery Act. The Cartwright bill is a road bill all to itself. It deals only with roads. It provides \$200,000,000 for road construction. This money is to be allocated much as was provided in the N.I.R.A. Act. That act provided, in effect, that the funds should be allocated, 12½ percent to be distributed among the States according to population and the balance

to be distributed to the States according to area, mileage of roads, and population. Under this allocation, Ohio was allotted approximately sixteen millions. The law was ambiguous as to how this money should be divided when once secured by the States. It provided that the money might be spent "on secondary or feeder roads to be agreed upon by State highway departments and the Secretary of Agriculture."

The State director of highways in Ohio interpreted this language to mean that "feeder roads" meant State feeder roads. This interpretation would confine expenditures from this \$16,000,000 fund to the principal or primary roads and would prevent expenditures on secondary or county and township roads. I maintained that this was not the reasonable interpretation, and my views were shared by many of my constituents. By way of preparation for protest, Mr. Chauncey Fife, then the highly esteemed and highly qualified county surveyor of Gallia County, but now deceased, and myself made investigations that confirmed our early opinions. To compel a change in the system of distribution carried on by the State highway department we made an appraisal of public sentiment among county and township officers and among rural mail carriers and school-bus drivers and school authorities generally, and found that the sentiment was overwhelmingly opposed to the discrimination that was being practiced against county roads. This sentiment was crystallized by meetings of many interested persons in many different sections of my congressional district. Finally a delegation of about 150 persons visited Governor White, demanding that at least 25 percent of all moneys received from the Federal Government should be used for feeder roads, including school-bus routes and rural mail routes. The Governor received the party cordially and gave indications that he approved their demands. Before a definite decision could be exacted from the Governor or his director of highways the C.W.A. plan of emergency relief was put into effect, and relieved the situation somewhat; but it did not decide the question or establish any definite plan of distribution.

When the Cartwright bill came up for consideration in the United States House of Representatives it carried the same indefinite language with reference to distribution of the money as the former act carried. I determined that the language should be changed and made more favorable to those who live on and travel the country roads. I therefore proposed the Jenkins amendment, which is as follows:

*Provided further*, That not less than 25 percent of the appropriation to any State shall be applied to secondary or feeder roads, including farm to market roads, rural free delivery mail roads, and public school bus routes.

The Jenkins amendment was opposed by those in charge of the passage of the Cartwright bill, but after a vigorous fight and when the merit of the amendment was appreciated it passed by an overwhelming vote. Because of the fact that this amendment brings relief to all the rural sections of the United States it means tremendous improvements to country roads and has been given much favorable newspaper comment. The effect of this amendment in Ohio will be that it will provide that 25 percent of all money received by the State from the Government must be spent on the country roads. If this Jenkins amendment had been in force last year the State Highway Department of Ohio would have been compelled to spend \$4,000,000 on country roads, while as a matter of fact only about \$600,000 was spent on them.

The county commissioners and county engineers and county trustees and other interested officers and individuals should immediately inform themselves on this subject so that they might better be able to know and to protect their rights.

The first installment of \$200,000,000 as provided under the Cartwright bill will be ready for distribution in the near future. Ohio should get approximately \$8,000,000 out of this. Two million of this eight million must be spent on country roads.

I am sure that the people of my district and of my State will approve of the change of distribution provided in this

Jenkins amendment. It will prevent politically minded State highway directors from using all this money to perpetuate political machines. One-fourth of this money will have to be spent where the county commissioners and county engineers and township officers will know about it. Likewise one-fourth of the money will go toward employing men who live in the country and who would like to get a few days' work with their teams to earn money with which to pay their taxes and other obligations. And again, money spent on main thoroughfares is spent largely for machinery and material, while money spent on country roads is spent largely for labor.

CONGRESS DELEGATES TO THE PRESIDENT ITS POWERS ON THE TARIFF AND TREATIES

Mr. McFADDEN. Mr. Speaker, in a speech that I delivered in the House of Representatives on January 20, 1934, I referred to the advisability of the United States launching a bilateral treaty-making policy and outlined how these negotiations should be instigated and carried out. Since giving more mature thought I am thoroughly convinced of the soundness of this suggestion and that it is the only

sound policy to pursue, particularly if complete Pan Americanism under the Monroe Doctrine is a sound policy, not only for the United States but for the North, Central, and South American countries.

Now that the Congress has, through the various enactments, given President Roosevelt full authority, it will be interesting to note just how he deals with this treaty-making policy affecting the United States so vitally in its relationships.

I desire now to call your attention to a speech which I delivered on March 22, 1934, which appears on page 5053 of the CONGRESSIONAL RECORD, wherein is inserted a tabulation entitled "World investments of Great Britain and the United States", which appears on pages 5061 and 5062. In that tabulation, in the heading of "Countries", you will find under the subheading "British Dependencies" that Canada is indebted on investment accounts to Great Britain in an amount of \$3,100,740,000 and to the United States in an amount of \$4,389,000,000. I am now calling your attention to the detailed particulars of these investments made by Great Britain and the United States, which are contained in the following tabulations:

Condensed statement showing amounts of capital invested in each Province of Canada by the United States of America, Great Britain, Canada, and all other nations

	United States of America	Great Britain	Canada	All other nations	Aggregate
<b>RAILWAYS</b>					
Ontario.....	\$257,639,805	\$341,829,553	\$732,551,123	\$11,815,340	\$1,373,876,822
Quebec.....	395,033,749	469,365,535	1,005,839,094	16,224,049	1,886,517,427
British Columbia.....	66,936,956	79,505,214	179,269,187	3,123,386	319,837,743
Manitoba.....	32,633,470	38,773,674	83,095,353	1,340,247	155,842,744
Nova Scotia.....	22,323,163	26,529,356	56,854,725	917,001	106,629,245
Alberta.....	13,833,001	22,447,916	48,107,837	775,932	90,224,746
New Brunswick.....	22,323,163	26,529,356	56,854,725	917,001	106,629,245
Saskatchewan.....	12,022,857	14,585,037	30,314,078	493,775	57,415,747
Prince Edward Island.....	858,775	1,020,359	2,186,721	35,269	4,101,124
Total railways.....	853,780,000	1,020,577,000	2,186,122,843	35,645,000	4,101,124,813
Percentage.....	20.94	24.88	53.32	00.86	100
<b>PULP, PAPER, AND LUMBER</b>					
Ontario.....	\$164,487,263	\$43,539,532	\$61,319,026	\$2,528,899	\$271,924,720
Quebec.....	219,875,022	58,287,426	81,906,967	3,380,455	353,489,870
British Columbia.....	58,235,923	15,432,665	21,709,709	895,344	96,273,646
New Brunswick.....	37,033,737	9,829,945	13,823,153	570,296	61,322,181
Nova Scotia.....	9,287,638	2,461,293	3,462,351	142,793	15,354,105
Manitoba.....	2,112,231	553,739	787,437	32,475	3,491,952
Saskatchewan.....	1,608,873	267,355	376,100	15,510	1,667,843
Prince Edward Island.....	206,315	54,674	76,914	3,171	341,074
Total pulp, paper, and lumber.....	492,307,172	130,462,619	183,526,657	7,568,943	813,865,391
Percentage.....	60.43	16.03	22.55	0.93	100
<b>METAL INDUSTRIES</b>					
Ontario.....	\$225,341,663	\$20,955,630	\$206,033,198	\$5,216,030	\$457,546,518
Quebec.....	164,179,340	15,281,451	149,898,997	3,853,437	333,213,225
British Columbia.....	33,210,110	3,553,346	34,936,067	854,457	77,583,980
Manitoba.....	18,615,183	1,731,117	17,020,135	430,889	37,797,321
Alberta.....	10,777,203	1,002,225	9,853,763	249,462	21,882,659
Nova Scotia.....	12,736,702	1,184,443	11,645,355	294,819	25,861,324
Saskatchewan.....	6,858,224	637,780	6,270,576	158,748	13,925,328
New Brunswick.....	12,736,702	1,184,443	11,645,355	294,819	25,861,324
Prince Edward Island.....	439,873	45,555	447,899	11,339	994,666
Total metal industries.....	489,945,000	45,576,000	447,751,345	11,394,000	994,666,345
Percentage.....	49.25	4.58	45.03	1.14	100
<b>MINING</b>					
Ontario.....	\$179,762,000	\$23,845,000	\$99,298,230	\$32,770	\$302,938,000
Quebec.....	65,849,400	12,744,300	67,659,600	78,700	146,332,000
British Columbia.....	94,731,300	12,477,940	70,889,260	289,500	178,388,000
Nova Scotia.....	26,942,800	5,385,569	34,978,431	47,143	67,357,000
Manitoba.....	3,245,500	3,976,000	10,769,700	27,800	18,020,000
New Brunswick.....	2,131,000	1,411,200	1,397,700	5,100	4,945,000
Saskatchewan.....	1,784,700	1,947,300	2,347,500	18,500	6,098,000
Alberta.....	1,649,300	1,753,700	139,170,719	69,281	142,943,000
Total mining.....	376,397,000	63,544,000	426,511,200	568,800	867,021,000
Percentage.....	+43.41	+7.34	+49.19	+0.06	100
<b>CENTRAL ELECTRIC, ELECTRIC RAILWAYS, AND TELEPHONES</b>					
Ontario.....	\$250,033,863	\$43,251,498	\$144,104,619	\$6,009,015	\$443,434,000
Quebec.....	159,632,818	37,574,780	147,261,029	4,679,373	349,203,000
British Columbia.....	39,930,896	9,333,031	36,601,031	1,163,039	86,791,039
Manitoba.....	28,556,998	6,719,032	26,333,057	836,763	62,445,000
Alberta.....	20,439,325	4,821,018	18,894,269	600,387	41,805,000
Saskatchewan.....	19,717,861	4,639,496	18,182,862	577,781	43,118,000
Nova Scotia.....	12,313,546	2,897,775	11,358,804	360,875	26,931,000
New Brunswick.....	10,155,261	2,289,473	9,364,693	297,573	22,207,000
Prince Edward Island.....	554,704	130,518	511,524	16,254	1,213,000
Yukon.....			872,000		872,000
Total.....	541,239,378	116,762,674	413,483,883	14,541,060	1,086,027,000
Percentage.....	+49.83	+10.75	+38.07	+1.33	100

Condensed statement showing amounts of capital invested in each Province of Canada by the United States of America, Great Britain, Canada, and all other nations—Continued

	United States of America	Great Britain	Canada	All other nations	Aggregate
<b>TRADING ESTABLISHMENTS</b>					
Ontario.....	\$54,645,269	\$30,217,068	\$323,273,371	\$2,422,292	\$410,558,000
Quebec.....	40,770,620	22,629,368	240,975,381	1,852,631	306,228,000
Manitoba.....	12,651,554	6,995,900	74,844,734	560,812	95,053,000
British Columbia.....	11,608,582	6,419,171	68,674,667	514,580	87,217,000
Saskatchewan.....	10,941,219	6,050,140	64,726,644	484,997	82,203,000
Alberta.....	9,426,098	5,212,278	55,762,882	417,832	70,819,000
Nova Scotia.....	5,606,038	3,099,958	33,164,502	248,502	42,119,000
New Brunswick.....	4,914,850	2,717,753	29,075,534	217,863	36,926,000
Prince Edward Island.....	687,860	380,364	4,069,285	30,491	5,168,000
Total.....	151,252,000	83,722,000	894,567,000	6,750,000	1,136,291,000
Percentage.....	+13.31	+7.36	78.74	0.59	100
<b>MISCELLANEOUS INDUSTRIES</b>					
Ontario.....	\$231,698,963	\$272,104,055	\$135,049,983	\$7,628,481	\$646,481,482
Quebec.....	126,598,979	148,541,496	73,583,669	4,202,631	352,926,775
British Columbia.....	51,960,481	61,021,669	30,286,118	1,710,752	144,979,020
New Brunswick.....	12,747,455	14,970,434	7,430,089	419,698	35,567,676
Nova Scotia.....	11,647,525	13,678,692	6,788,975	383,494	32,498,676
Alberta.....	8,328,621	9,781,017	4,854,491	274,212	23,238,341
Manitoba.....	6,633,868	7,790,723	3,866,674	218,414	18,509,679
Saskatchewan.....	2,213,002	2,598,919	1,289,890	72,861	6,174,672
Prince Edward Island.....	287,556	337,702	167,609	9,467	802,334
Total.....	452,116,450	530,824,707	263,317,498	14,920,000	1,261,178,655
Percentage.....	+35.84	+42.08	+20.88	+1.18	100
Finance and insurance.....	\$83,784,000	\$146,187,000	-----	\$12,360,000	\$242,331,000
Land and mortgages.....	113,825,000	215,742,000	-----	61,700,000	381,267,000
Government bonds.....	829,354,000	657,342,000	\$1,221,200,419	15,300,000	2,723,196,419
Grand aggregate.....	4,389,000,000	8,010,740,000	6,036,480,850	170,747,803	13,606,968,653
Percentage.....	+32.25	+22.12	+44.36	1.27	100

Condensed statement showing aggregate distribution of capital invested in each Province of Canada by the United States of America, Great Britain, Canada, and all other nations

Provinces (1)	Category (2)	United States (3)	Great Britain (4)	Canada (5)	All other nations (6)	Aggregate (7)
Ontario.....	(A) Railways.....	\$287,689,806	\$341,820,553	\$732,551,123	\$11,815,340	\$1,373,876,822
	(B) Central electric, electric railways, and telephones.....	250,068,868	48,251,498	144,104,619	6,009,015	448,434,000
	(C) Trading establishments.....	54,645,269	30,217,068	323,273,371	2,422,292	410,558,000
	Total.....	592,403,943	420,289,119	1,199,929,113	20,246,647	2,232,868,822
Total.....	(D) Pulp, paper, lumber.....	164,487,263	43,589,532	61,319,026	2,528,899	271,924,720
	(E) Metal industries.....	225,341,660	20,955,630	206,033,198	5,216,030	457,546,518
	(F) Mining.....	179,782,000	23,845,000	99,298,230	32,770	302,938,000
	(G) Miscellaneous industries.....	231,698,963	272,104,055	135,049,983	7,628,481	646,481,482
Total.....	801,289,886	360,494,217	501,700,437	15,406,180	1,678,890,720	
Grand total.....	1,393,693,829	780,783,336	1,701,629,550	35,652,827	3,911,759,542	
Quebec.....	(A) Railways.....	395,038,749	469,365,535	1,005,889,094	16,224,049	1,886,517,427
	(B) Central electric, electric railways, and telephones.....	159,692,818	37,574,780	147,261,029	4,679,373	349,208,000
	(C) Trading establishments.....	40,770,620	22,629,368	240,975,381	1,852,631	306,228,000
	Total.....	595,502,187	529,569,683	1,394,125,504	22,756,053	2,541,953,427
Total.....	(D) Pulp, paper, and lumber.....	219,875,022	58,267,426	81,966,967	3,380,455	363,489,870
	(E) Metal industries.....	164,179,349	15,281,451	149,898,997	3,853,437	333,213,225
	(F) Mining.....	65,849,400	12,744,300	67,659,600	78,700	140,332,000
	(G) Miscellaneous industries.....	126,598,979	148,541,496	73,583,669	4,202,631	352,926,775
Total.....	576,502,741	234,834,673	373,100,233	11,515,223	1,195,961,870	
Grand total.....	1,172,004,928	764,404,356	1,767,234,737	34,271,276	3,737,915,297	
British Columbia.....	(A) Railways.....	66,986,956	79,505,214	170,269,187	3,126,386	319,887,743
	(B) Central electric, electric railways, and telephones.....	39,690,896	9,339,034	36,601,031	1,163,039	86,794,000
	(C) Trading establishments.....	11,608,582	6,419,171	68,674,667	514,580	87,217,000
	Total.....	118,286,434	95,263,419	275,544,885	4,804,005	493,898,743
Total.....	(D) Pulp, paper, lumber.....	58,235,928	15,432,665	21,709,709	895,344	96,273,646
	(E) Metal industries.....	38,210,110	3,553,346	34,936,067	884,457	77,583,980
	(F) Mining.....	94,731,300	12,477,940	70,889,260	289,500	178,388,000
	(G) Miscellaneous industries.....	51,960,481	61,021,669	30,286,118	1,710,752	144,979,020
Total.....	243,137,819	92,485,620	157,821,154	3,780,053	497,234,646	
Grand total.....	361,424,263	187,749,039	433,366,039	8,584,058	991,123,389	
Manitoba.....	(A) Railways.....	32,633,470	38,773,674	83,095,353	1,340,247	155,842,744
	(B) Central electric, electric railways, and telephones.....	28,556,068	6,719,082	26,333,057	836,763	62,445,000
	(C) Trading establishments.....	12,651,554	6,995,900	74,844,734	560,812	95,053,000
	(D) Pulp, paper, lumber.....	2,112,281	559,759	787,437	32,475	3,491,952
	(E) Metal industries.....	18,615,180	1,731,117	17,020,135	430,889	37,797,321
	(F) Mining.....	3,246,500	3,976,000	10,769,700	27,800	18,020,000
	(G) Miscellaneous industries.....	6,633,868	7,790,723	3,866,674	218,414	18,509,679
Grand total.....	104,448,951	66,546,255	216,717,090	3,447,400	391,159,696	

Condensed statement showing aggregate distribution of capital invested in each Province of Canada by the United States of America, Great Britain, Canada, and all other nations—Con.

Provinces (1)	Category (2)	United States (3)	Great Britain (4)	Canada (5)	All other nations (6)	Aggregate (7)
Nova Scotia	(A) Railways	\$22,328,163	\$26,529,356	\$56,854,725	\$917,001	\$106,629,245
	(B) Central electric, electric railways, and telephones	12,313,546	2,897,775	11,358,804	360,875	26,931,000
	(C) Trading establishments	5,606,038	3,030,958	33,164,502	248,502	42,119,000
	(D) Pulp, paper, lumber	9,287,698	2,451,263	3,462,351	142,793	15,354,105
	(E) Metal industries	12,736,702	1,184,448	11,645,355	294,919	25,861,324
	(F) Mining	26,942,800	5,388,560	31,978,491	47,149	67,357,000
	(G) Miscellaneous industries	11,647,525	13,678,692	6,788,975	383,494	32,498,676
Grand total		100,862,472	55,240,052	158,253,203	2,394,623	316,750,350
Alberta	(A) Railways	18,893,061	22,447,916	48,107,837	775,932	90,224,746
	(B) Central electric, electric railways, and telephones	20,489,326	4,821,018	18,894,269	600,387	44,805,000
	(C) Trading establishments	9,426,008	5,212,278	55,762,882	417,832	70,819,000
	(D) Metal industries	10,777,209	1,002,225	9,853,763	249,462	21,882,659
	(E) Mining	1,949,300	1,753,700	130,170,719	69,281	142,943,000
	(F) Miscellaneous industries	8,328,621	9,781,017	4,854,491	274,212	23,238,341
	Grand total		69,863,525	45,018,154	276,643,961	2,387,106
New Brunswick	(A) Railways	22,328,163	26,529,356	56,854,725	917,001	106,629,245
	(B) Central electric, electric railways, and telephones	10,155,261	2,389,473	9,364,693	297,573	22,207,000
	(C) Trading establishments	4,914,850	2,717,753	29,075,534	217,863	36,926,000
	(D) Pulp, paper, lumber	37,093,787	9,829,945	13,828,153	570,296	61,322,181
	(E) Metal industries	12,736,702	1,184,448	11,645,355	294,919	25,861,324
	(F) Mining	2,131,000	1,411,200	1,397,700	5,100	4,945,000
	(G) Miscellaneous industries	12,747,455	14,970,434	7,430,089	419,698	35,567,676
Grand total		102,107,218	59,032,609	129,596,249	2,722,350	293,458,426
Saskatchewan	(A) Railways	12,022,857	14,585,037	30,314,078	493,775	57,415,747
	(B) Central electric, electric railways, and telephones	19,717,861	4,639,496	18,182,862	577,781	43,118,000
	(C) Trading establishments	10,941,219	6,050,140	64,726,644	484,997	82,203,000
	(D) Pulp, paper, lumber	1,008,878	267,355	376,100	15,510	1,667,843
	(E) Metal industries	6,858,224	637,780	6,270,576	158,748	13,925,328
	(F) Mining	1,784,700	1,947,300	2,347,500	18,500	6,098,000
	(G) Miscellaneous industries	2,213,002	2,598,919	1,289,890	72,861	6,174,672
Grand total		54,546,741	30,726,027	123,507,650	1,822,172	210,602,590
Prince Edward Island	(A) Railways	858,775	1,020,359	2,186,721	35,269	4,101,124
	(B) Central electric, electric railways, and telephones	554,704	130,518	511,524	16,254	1,213,000
	(C) Trading establishments	687,860	380,364	4,069,285	30,491	5,168,000
	(D) Pulp, paper, lumber	206,315	54,674	76,914	3,171	341,074
	(E) Metal industries	489,873	45,555	447,899	11,339	994,666
	(F) Mining					
	(G) Miscellaneous industries	287,556	337,702	167,609	9,467	802,334
Grand total		3,085,083	1,969,172	7,459,952	105,991	12,620,198
Yukon	(A) Central electric, etc.			872,000		872,000
Dominion	(A) Finance and insurance	83,784,000	146,187,000		12,360,000	242,331,000
	(B) Land and mortgages	113,825,000	215,742,000		51,700,000	381,267,000
	(C) Federal, provincial, and municipal bonds	829,354,000	657,342,000	1,221,200,419	15,300,000	2,723,196,419
Grand total		1,026,963,000	1,019,271,000	1,221,200,419	79,360,000	3,346,794,419

GRAND RECAPITULATION

Ontario	\$1,393,693,829	\$780,783,336	\$1,701,629,550	\$35,652,827	\$3,911,759,542	
Quebec	1,172,004,928	764,404,356	1,767,234,737	34,271,276	3,737,915,297	
British Columbia	361,424,253	187,749,039	433,366,039	8,584,058	991,123,389	
Manitoba	104,448,951	66,546,255	216,717,090	3,447,400	391,159,696	
Nova Scotia	100,862,472	55,240,052	158,253,203	2,394,623	316,750,350	
Alberta	69,863,525	45,018,154	276,643,961	2,387,106	393,912,746	
New Brunswick	102,107,218	59,032,609	129,596,249	2,722,350	293,458,426	
Saskatchewan	54,546,741	30,726,027	123,507,650	1,822,172	210,602,590	
Yukon			872,000		872,000	
Prince Edward Island	3,085,083	1,969,172	7,459,952	105,991	12,620,198	
	Finance and insurance	83,784,000	146,187,000		12,360,000	242,331,000
	Land and mortgages	113,825,000	215,742,000		51,700,000	381,267,000
	Federal, provincial, and municipal bonds	829,354,000	657,342,000	1,221,200,419	15,300,000	2,723,196,419
Grand aggregate	4,389,000,000	3,010,740,000	6,036,480,850	170,747,803	13,605,963,653	

Estimate of national wealth of Canada, 1929, by Provinces and classes  
[000's omitted]

Classification of wealth	Canada	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
Central electric stations	\$554,327	\$447	\$8,397	\$13,775	\$221,135	\$221,135	\$25,734	\$7,445	\$13,256	\$42,717
Electric railways	240,111		10,077	3,063	67,846	109,673	16,364	4,322	6,265	22,501
Telephones	291,589	766	8,457	5,369	60,227	117,340	20,347	31,351	25,284	22,449
Total	1,086,027	1,213	26,931	22,207	349,208	448,148	62,445	43,118	44,805	87,666
Railways	4,101,124	4,101	106,629	106,629	1,886,517	1,373,876	155,842	57,415	90,224	319,887
Aggregate	5,187,151	5,314	133,560	128,836	2,235,725	1,822,024	218,287	100,533	135,029	407,553
Manufactures	1,418,040	1,301	36,778	40,221	439,539	661,700	31,460	6,842	26,803	173,309
Trading establishments	1,136,291	5,168	42,119	36,926	306,228	410,558	95,053	82,203	70,819	87,217
Aggregate	2,554,331	6,469	78,897	77,147	745,767	1,072,348	126,513	89,045	97,622	260,523

Estimate of national wealth of Canada, 1929, by Provinces and classes—Continued

Classification of wealth	Canada	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
Farm values.....	\$6,308,353	\$67,015	\$134,725	\$141,180	\$1,133,343	\$1,778,476	\$509,841	\$1,413,120	\$875,110	\$195,593
Mines.....	867,021		67,357	4,945	146,332	302,938	15,020	6,098	142,943	178,388
Forests.....	1,877,000	1,600	58,000	78,700	706,000	422,500	24,500	67,700	97,500	420,500
Fisheries.....	33,935	725	7,447	4,157	2,334	3,479	1,317	122	547	13,795
Aggregate.....	9,086,309	69,340	267,529	228,932	1,988,009	2,507,393	613,678	1,487,040	1,116,100	808,276
GRAND RECAPITULATION										
Utilities.....	\$5,187,151	\$5,314	\$133,560	\$128,836	\$2,235,725	\$1,822,024	\$218,287	\$100,533	\$135,029	\$407,553
Manufacturing and trading.....	2,554,331	6,469	78,897	77,147	745,767	1,072,348	126,513	89,045	97,622	260,523
Aggregate.....	7,741,482	11,783	212,457	205,983	2,981,492	2,894,372	344,800	189,578	232,651	668,076
Natural products.....	9,086,309	69,340	267,529	228,932	1,988,009	2,507,393	613,678	1,487,040	1,116,100	808,276
Total.....	16,827,791	81,123	479,986	434,915	4,969,501	5,402,765	958,478	1,676,618	1,348,751	1,476,352

These tabulations contain a condensed statement showing amounts of capital invested in each Province of Canada by the United States, Great Britain, Canada, and all other nations, giving the aggregate amounts of capital invested in each category of business enterprise in each Province. In these tabulations entitled "Condensed Statement Showing Aggregate Distribution of Capital Invested in Each Province of Canada by the United States, Great Britain, Canada, and All Other Nations", I give the aggregate capital amounts invested in each category of business enterprise.

You will observe that the latter tabulations contain the name of each Province according to the importance of the amounts invested in each Province, namely, Ontario, with a capital of \$3,911,759,542, of which \$1,393,693,829 is invested by the United States and \$780,783,336 is invested by Great Britain and \$1,701,629,550 is invested by Canadian citizens and \$35,652,827 is invested by the citizens of all other nations.

The Province of Quebec comes close second in importance of capital investments, British Columbia comes third, and so on. All the Provinces of Canada are included in all these tabulations.

The future of all these investments is related to the important bill which has just been enacted by the Congress which gives to the President of the United States the right to make treaties with foreign powers on the question of tariffs and international exchange between Canada and the United States and other countries.

In connection with these cardinal matters I now desire to call your attention to the following economic factor involving the future development of the trade that should exist between the United States and all the South American Republics, all the Central American Republics, Mexico, Newfoundland, and Canada.

The total of United States investments in South American Republics amounts to \$2,722,591,000, as stated in my remarks of March 22, 1934, on page 5304, CONGRESSIONAL RECORD.

The total of United States investments in Central America amounts to the sum of \$2,055,910,000.

The total of United States investments in Canada amounts to the sum of \$4,389,000,000.

The aggregate of the investments of the United States in all the countries of the American Continent amounts to \$9,167,501,000.

The aggregate of the world investments of the United States is \$14,519,945,000.

In other words, 63 percent of the world investments of the United States are located in the countries of the American Continent, of which about half is invested in Canadian enterprise and half in all the Latin American Republics. With the exception of Canada, all these Latin Republics are members of the Pan American Union.

When it is realized that the investments of the citizens of the United States in Canadian enterprises are equal to the aggregate of these investments in all the Latin American Republics, this matter of treaty bargaining, which has been given by the Congress to the President of the

United States, is of very vital importance in the future relationship between all these nations.

Considering the economic potentialities of all these nations of the American continent as well as the future existence of the Monroe Doctrine, I have no hesitation whatever to state that the treaty bargaining powers given by the Congress to the President should not have been given to him absolutely, but that the question of tariff and exchange between all the nations of the American continent should have been reserved to the House of Representatives and the Senate exclusively. It is too much power to place in the hands of any one man, although he be a President of the United States.

I want to emphasize with all the power that I possess, now that the President has been given these powers to enter into bilateral treaties with any and all nations of the world without the sanction of the House of Representatives and the United States Senate, that there is the gravest danger in the exercise of these powers that the United States may lose all their investments in every country of the world.

This paramount economic factor must be envisaged in every and all cases affecting our future relationship with all those countries which are indebted to us.

Because of the fact that the United States is the second largest creditor Nation of the world today, it is essential that all the trade treaties of the United States should be repealed at once. All our trade treaties in force today were enacted at a time when we were a debtor nation. The principles governing our unconditional and conditional "most-favored-nation treaties" do not apply today in the least toward a solution of our financial and economic problems.

All these trade treaties met all our desiderata at the time they were enacted because we were a debtor Nation, but today that we are a creditor Nation we are in a position to enter into bilateral trading treaties with all those nations which are our debtors. At present we have unconditional "most-favored nation treaties" with Germany, Spain, Norway, Austria, Czechoslovakia, Yugoslavia, Finland, Greece, Hungary, Lithuania, Rumania, Albania, Bulgaria, and Estonia in Europe; Brazil, Chile, the Dominican Republic, Guatemala, Honduras, and El Salvador in South America. There are also a certain number of conditional most-favored-nation treaties still in effect. A survey of the tabulation entitled "World Investments of Great Britain and the United States of America", embodied in my remarks of March 21, 1934, appearing on pages 5061 and 5062 of the CONGRESSIONAL RECORD of that date, should convince anybody and everybody that all the nations of the world with which we have in existence trade treaties which were enacted many years before the year 1914 when we were a debtor nation, are now our debtors.

Under present circumstances it is evident that if we attempt to negotiate any new trade treaties 39 countries would be in a position to claim any concessions that our Government might make in bargaining agreements. Twenty-six of these foreign countries would claim the benefits given automatically under the unconditional most-favored-nation treaties, and 13 nations could secure similar benefits by offering compensation equal to that given by any other party to the bargaining treaty. It is obvious, therefore, that

it will be practically impossible to enter into any beneficial trading treaties with these foreign nations while these old treaties are in force.

I would call your attention that for all practical purposes reciprocal trade treaties died in the United States in 1911 when Canada rejected the trade agreement made with President Taft, known as the "Canadian reciprocity agreement." The reciprocal trade policy of bargaining was finally deleted from our tariff structure in 1922 when we were well advanced as a creditor nation. In that year sweeping changes of policy were adopted and effected. Our Government very unwisely abandoned all thought of exchanging tariff favors with those individual nations which were and are still our debtors and embarked upon what is known as the "unconditional most-favored-nation policy." The policy of conditional and unconditional most-favored-nation treaties is a British institution, which does not fit in today with the financial and economic position of the United States as the second largest creditor nation of the world.

May I express the hope that the President may have at heart the best interests of the United States, and will start off with a new deal in international trade treaties by repealing at once all existing trade treaties with all foreign nations.

Now that he has full power from the Congress, will he recognize that it is time to start thinking about entering into bilateral trade treaties with all our debtor nation friends in South America, in Central America, with Canada and Newfoundland; and, finally, with those European nations which are not in default on their rightful obligations to the United States?

I hope that the President will see that it is our duty at the present time to eradicate all entanglements which fetter ourselves and all the small, defenseless debtor nations of the world. All these entanglements are the product of dishonest foreign statesmen and international money changers.

It is unthinkable that through a misunderstanding or through international influences the President might pursue the wrong course in dealing with this trade situation which might result in the loss of our foreign trade because we do not enter into proper trade agreements.

I would direct your attention to the fact that this administration already has given all the nations of the world a tariff reduction by reducing the gold content of the dollar to its present weight of 13.7142 grains of fine gold.

The powers recently given to the President will enable him, under the terms of this tariff bill, to enter into trading treaties which will be practically free-trade treaties with all those foreign nations which his fancy will choose as favorites. May I express the hope that his fancy may be guided by what is to be for the best interests of the people of the United States, particularly when we understand that the tariff bill just passed, which gives the President this authority, is a British tariff bill. This bill is the product of the international money changers, and as such will enable the British international money changers to dominate the trade of the United States in its relationships with all the debtor nations of the world. I would call your attention to the fact that Great Britain has been legislating measures since before the World Economic and Monetary Conference which was held in London last year with a view to the curtailment of American trade expansion in the debtor nations in the American Continent in particular. Great Britain has been constantly pursuing a policy of control over the raw materials of those countries which are her debtors to the exclusion of all American influence. Take the recent tin combine, rubber combine, coffee control, and so forth.

Now, I am going to examine the situation that obtains in Canada, where the United States has a large investment of capital.

The Canadian Government is apparently adopting an international restrictive bill entitled "The International Products Marketing Act of 1934." This bill is a duplicate of a similar bill passed last year by the British Government. This bill is a prototype of similar legislation which the

British Government is using its influence to have all the British dominions and all their debtor nations pass into legislation.

Careful study of this measure should be made by every American who is interested in tariffs, exchange, and trade bargainings.

The motives back of this legislation are to protect British and Canadian trade at the expense of the United States. Under the provisions of what I believe to be this unconstitutional bill, the Government of Canada is authorized to set up a board of trade dictators, similar in all its provisions to the British agricultural act of 1933. They will have power and authority under section 4, among various iniquitous powers—

(g) To require full information relating to the production and marketing of the natural product from all persons engaged therein and to require periodic returns to be made by such persons, and inspect the books and premises of such persons;

(f) To require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses, and occupations with the board (of dictators), or to obtain a license from the board, and such license shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder;

(j) The board may collect charges for services rendered (a) in respect of all or any portion of the regulated product marketed under its direction;

#### Under section 12, restriction of imports and exports:

(1) The Governor in Council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the Governor in Council shall have power to make regulations to provide for the licensing, by the minister, of importers, or otherwise to enforce any order made hereunder.

(2) The Governor in Council may, by order or regulation published in the Canada Gazette—

(a) Provide that any natural product shall not be exported from Canada without a license.

(b) Prescribe the forms of licenses, the terms and conditions thereof, and the persons who shall have authority to issue the same.

(c) Imposes penalties for breach of any such order or regulation or of any license issued thereunder, and, generally, make such provision or authorize the doing of such acts or things as may in his discretion be deemed necessary or expedient for giving full effect to any orders, regulations, or licenses made or issued hereunder.

All these restrictive provisions of law mean that all American concerns operating in Canada or which own a controlling capital interest in Canadian concerns will be under the direct power and authority of a board of economic dictators, who will decide and determine what the business policies of all these innumerable American concerns will be.

The position thus created becomes one of international moment, to say the least, between Canada and the United States.

The United States have invested in Canadian industries the following sums of capital:

Pulp, paper, and lumber companies.....	\$492,307,172
Metal industrial companies.....	489,945,000
Mining companies.....	376,397,000
Trading companies.....	151,252,000
Miscellaneous industrial companies.....	452,116,450
<b>Total industrial investments.....</b>	<b>1,962,017,622</b>
Total public utilities.....	1,400,019,378
Total government bonds.....	829,354,000
Total finance, insurance, etc.....	197,609,000
<b>Grand aggregate.....</b>	<b>4,389,000,000</b>

You will observe that the total industrial capital invested by American citizens in Canada amounts to \$1,962,017,622. This invested capital is the only capital that produces a transferable income into the United States. The income earned by public utilities, Government bonds, and finance investments cannot be transferred into the United States of America unless the industrial companies' production is exported into the United States in an amount in value equal to the aggregate annual income payable in the United States of America on all the capital invested in Canada by American citizens.

Therefore, if the Canadian Government, under the operation of this marketing bill, resorts to restrictive orders and

regulations, licenses, and so forth, according to secret orders emanating from England, does it not stand to reason that such industrial companies' operations will be hampered to such an extent that these companies will not be able to carry on their businesses on a profitable basis. This means that if the industrial companies are unable to pay their way, the income on public utilities, government bonds, and so forth, will not be transferable into the United States of America.

In the last resort, this means that all American investments in Canada will become depreciated in value and finally become worthless.

I am unable to find any other reasoning out of this terrible entanglement which the Bennett administration, abetted by the Chamberlainites and his group in London and in the United States, are perpetrating against all those honest American investors who have placed their savings in Canadian investments.

I wonder what Great Britain would do if the United States resorted to such diabolical and sinister machinations?

THE WELFARE OF OUR RAILROAD WORKERS SHOULD BE OF GREAT INTEREST TO THE CONGRESS

Mrs. JENCKES of Indiana. Mr. Speaker, the necessity of providing proper legislation which will make for the welfare of our American railroad workers should be of the greatest interest to every Member of the Congress. America is a Nation of great distances. The people must depend upon the loyalty and efficiency of our American railroad employees for safe transportation of life and property. It is needless to bring to the attention of the Congress the fact that the human element is a most important factor in the safe transportation of lives and property over our transportation systems. We all agree that this is a well-known fact. However, the evil forces of the depression have made their harmful presence felt in the lives of our American railroad workers and their families. Curtailment of earnings, uncertainty of employment, and doubt concerning the future of the transportation industry are problems which tend to lower the morale and efficiency of those whose abilities and well-being and state of mind are essential to the safety of life and property of our citizens who use our transportation systems.

The Congress has a very grave responsibility of considering the welfare of our railroad workers and the importance of their labor for public safety. Railroad workers are no different than any other strata of our American citizenship. They are just as loyal and just as efficient. They react or respond to the same influences which tend to depress or encourage. The difference is that railroad workers are responsible for life as well as property. A worried railroad worker may become an inefficient railroad worker which might result in the loss of life or property. Therefore it behooves the Congress to give particular attention to the legislation now before us, which will, to a certain degree, correct those conditions which greatly influence the state of mind and well-being of our thousands of railroad workers. While it is true the passage of these measures will not be the solution of all of the troubles of our railroad workers, I am confident their passage will make for a great degree of added efficiency, and certainly relieve the minds and hearts of this great group of workers.

We have before us various measures for the benefit of railroad workers which have been introduced by our distinguished colleagues and which have been endorsed by the railroad brotherhoods as measures which will be helpful in the national recovery. Let us give favorable consideration to all of these measures without delay and thereby provide peace of mind and a certain amount of relief to those loyal workers who make it possible for us to travel in comfort and safety.

I thank you.

I AM GLAD TO HAVE ASSISTED THE VETERANS TO GET JUSTICE

Mr. JENKINS of Ohio. Mr. Speaker, probably no Congress in the history of the Republic has worked out so much veterans' legislation as the Seventy-third Congress.

The Economy Act was the beginning of President Roosevelt's attack upon the veterans, and it was passed by Congress within a few days after he took office. This bill was passed under great misrepresentations. Those who made them were speaking for the President. Within a month or two after its passage it was known that the President was not going to administer the Economy Act as was represented by his spokesmen.

On May 10, 1933, I made a speech on the floor of the House of Representatives pointing out that the President had not followed the course promised by his spokesmen. I think this was the first speech made in either the House or the Senate against the President's course. My speech opened the door and many similar speeches were made. These crystallized public sentiment until we secured a modification of the President's policy. On June 10, 1933, we had a terrific battle seeking to pass the Cutting-Steiner amendment but failed by a small vote because of the power of Presidential opposition. The RECORD will show that I took a prominent part in this battle. That the veterans of all wars appreciated my efforts is proven by the favorable mention made by them in their newspapers. This fight resulted in the President modifying his drastic orders in many respects. The Spanish-American War veterans were restored in part and the World War veterans who were service connected and those who were drawing compensation as presumptives were also restored in part. These restorations were begrudgingly made, and would not have been made except for the battle which we put up in their behalf. I am proud of the part I took in it.

When the second session of the Seventy-third Congress convened early in January 1934, it was evident that direct legislation for relief could not be forced through the committees controlled by Mr. Roosevelt. The friends of the veterans assumed to tack veterans' relief legislation on to an appropriation bill. To thwart this, the Rules Committee of the House, in line with the administration's well-known opposition to veterans' legislation, brought out the infamous "gag rule" which prevented the tacking of any veterans' legislation on any appropriation bill. No such "gag rule" had ever before been presented to any Congress. But under the power of a 3-to-1 Democratic majority it was forced through, although many Democrats would have been glad to vote against it if they had not been forced to vote for it. This prevented any legislation from being commenced in the House. But the Senate tacked on an amendment to the independent offices appropriation bill. When this came to the House we adopted it. Again I took an active interest in securing the adoption of this amendment. This fact is attested to by the CONGRESSIONAL RECORD and by numerous references by veterans' newspapers and by the legislative representatives of the various veterans' groups designated by them to represent them in Washington.

While we were not able to restore to all the veterans all they had lost we were able to bring them millions of dollars. A complete restoration of all service-connected cases, established on March 19, 1933, was accomplished. A 75-percent restoration of practically all Spanish War cases and presumptive World War cases was accomplished. The President, true to his opposition to veterans' relief, vetoed this bill. The whole world knows what happened to his veto. The House voted to override his veto by a tremendous vote. I also voted to override his veto and did it with pleasure. He had been wrong on this matter from the beginning.

Thus it is seen that while the Seventy-third Congress under the President's directions took much from the veterans he was forced to give most of it back and this was done by Congress. The veterans should and do give Congress the praise which is due it. Any Congressman who stood up and fought for the veterans in the face of Presidential opposition is entitled to their gratitude and no doubt will receive it.

In the last days of the Seventy-third Congress a bill for the relief of the widows of World War veterans was passed. The veterans of the World War who live in my district have

for a long time known of my efforts in behalf of legislation of this kind. I have talked with them many times about it and have introduced several bills to that effect. In my work as Congressman, I have made a specialty of serving veterans and their widows. I have served thousands of them, have never turned down a single case—served them all without a single penny of compensation. I have spent much of my own money in serving them; and, to their everlasting credit, I must say that they have always appreciated it.

There is no reason why something should not be done to assist the widow of a World War veteran if she has a family of children. This new law does not go as far as the Jenkins' bill which secured favorable consideration in many conventions of World War veterans. This bill provides that if a veteran with a family dies while he is drawing a service-connected disability pension for 30-percent disability or more that his widow and family are entitled to a pension, and this regardless of whether he died of the disability for which he was drawing a pension. I voted for this bill as it was in line with what I had fought for for years.

In the last session of the Seventy-third Congress we also had an opportunity to vote for the payment of the bonus. I voted for it because I felt that now that the Government is paying out billions in many directions it had better pay off the veterans' bonus which is an obligation that it has assumed and must pay ultimately.

The President has begun to realize that the temper of the American people is to deal fairly with those who showed their willingness to fight and die for their country. I am glad to have done my best in behalf of the veterans of all wars and of their widows.

#### FARMERS AND THEIR PROBLEMS

Mr. HOIDALE. Mr. Speaker, as we look back upon the year covered by the Seventy-third Congress, which began on March 9, 1933, no person will deny that at no time in the history of our Nation has any Congress or any administration tried so hard and so earnestly to do something to help the farmer get out of the ditch.

The many problems that had to be met were very difficult. The farmers were not turned away, as had sometimes happened in years gone by. They were invited to come to the Capital to present their troubles and their plans and remedies. They did come, but, very naturally, they could not agree on any one plan. Some of them wanted one thing, and others wanted something else. Many farm experts from agricultural schools, farm journals, and practical farmers were called upon to express their views. The Government at Washington was not only willing but anxious to find the best plan—the thing which would be of greatest help to the farmers. Roosevelt had no other object and no other purpose.

And so, with no sure guide to follow, we entered upon a program that was at least in part new and experimental. But the point is that something was done, and something of great benefit was accomplished.

Let those who carelessly criticize the Government farm policy shut their eyes just long enough to get a mental picture of what conditions would have been, not only among the farmers themselves but among all people in the State of Minnesota, had it not been for the millions that the Government has poured into our State under the allotment plan. It is easy to see where we would have been without that money.

And you must remember, too, that there will not be any taxes to pay in the future on account of this money. That money has already been raised and paid. The farmers got it from the Government. They put it in circulation, and we had improved conditions instead of complete ruination.

When the drought fell upon us the help that came so quickly did not come from the State. It came from the Government at Washington. There was cooperation; there was action. There are some who find fault. There always will be, but where in all the history of our Government has anything been done on such a big scale in such quick time?

Much has been done along the line of improving farm financing. Interest rates have been reduced, and further reductions will be made from time to time and as soon as it is possible to do so. The aim is to place all farm loans upon a long-time basis, so that the farmer can pay as much as he wants to upon his loan, but is in no danger of having his farm foreclosed for failure to pay the principal. The interest rate is still too high, but when we get that down to a low point the farmers will have nothing to complain of so far as real-estate mortgages are concerned.

We have stopped the banks from failing. Before long we will stop foreclosure of farm mortgages. We cannot continue to have the farmer live in dread of losing his farm or his stock or the tools that he works with by reason of foreclosure under short-time loans that give him no chance to work out.

Of course, there will always be some who will be in trouble, no matter what conditions are; but with times as they have been for the past years the average farmer could not keep even. Taxes, interest, and expenses have been eating into his savings; and to keep going he has been compelled to go further into debt. We must stop this. If we do not, our farmers of the future will not be the independent, care-free citizen that we have always talked about.

When I speak of farm conditions, I speak from personal experience and from an interest in farming from the days of my boyhood. I grew up on a farm in western Minnesota, where I toiled upon the frontier through my early years. At the age of 20 years I started the first Farmers' Alliance country paper in the State—the Western Guard, published at Dawson. In this paper I put up a battle in those early days for the rights of the farmer; and all through my life, in speeches and otherwise, I have kept up my interest in agriculture. All my savings were put into farms, and I have suffered with all those who put their trust in agriculture.

I have in my pocket now a Government check under an allotment contract on a farm owned by me in North Dakota. The check amounts to more than the income from the grain raised on the farm, and many a farmer has received more from the Government than he has received from his crop.

We all know that much has been done to help to relieve agriculture, but there is much yet to be done; and I know that when we get together here again next January we will go at the task again and keep at it until the farmer is established in his proper place.

There is one good and encouraging sign, and that is that all people—except those who are crazy—now understand and admit that we must get justice for the farmer before we can have real prosperity in America.

And so I say to the farmer: The worst is over and help is on the way.

#### THE AVOIDABLE BLUNDERS OF THE C.W.A.

Mr. BACON. Mr. Speaker, despite the economic miracles promised for the new deal—promised but long postponed—we are confronted with the certainty that most of the 10,000,000 now unemployed will remain unemployed next winter and for many months thereafter, until the gradual processes of world economic recovery, if they are allowed to operate, take up the slack. We must face the choice between permitting wide-spread destitution to continue, or of affording some form of relief, no matter what the cost. To this there can be but one answer. We shall also be faced with the decision as to whether relief shall be in the form of direct public dole or of the opportunity for useful employment. To this again the answer is clear. Fifteen months of the new deal, with its liberty-crushing regimentation, affecting nearly every class, from the business man to the humble share-cropper, have not been sufficient to kill the individualism and traditional self-respect of our people. A dole, as compared with a job of some kind, would be as abhorrent to most Americans this year as it was last.

The C.W.A. was launched last November to meet just such a situation as we shall have next November and thereafter. It was altogether admirable in its general purpose:



Jobs to rescue the spirits of those who had been driven to the humiliations of public charity; more jobs for the self-sustaining unemployed who would otherwise eventually be forced to seek relief. But worthiness of purpose must not be confounded with soundness of method. The C.W.A. wrote a tragically pathetic page in the history of American government. Designed as it was to meet desperate conditions in an American way, it ended in the disgrace of a politician's paradise, unhonored and unsung, and more than a month before its allotted time. The scandals that attended this colossal experiment, the blunders of its administration, the Alice-in-Wonderland quality of many of its undertakings, the unthinkable wastes of public money that should have been spent to secure a maximum of relief—all these cannot be exculpated and passed over because the motive behind it was apparently sound and praiseworthy. On the contrary, although some credit may be given to the administration for having put into motion an obvious and widely desired program, it merits serious criticism for the devil-may-care irresponsibility with which it permitted an important and costly public effort to commence with every handicap and to proceed through a discreditable history to an inevitable collapse.

This is not to say that the C.W.A. did not serve a worthy purpose in relieving an important degree of destitution. Any rapid disbursement of a billion dollars placed into the hands of individuals, no matter how wastefully, could not fail to improve the lot of millions of humans, if only temporarily. But it did good in such a manner that it is unthinkable that this enterprise should not be repeated next winter. This makes it important for the future as well as the past to find out what was wrong with the method adopted.

The original and basic sin in the history of the C.W.A. is that it was launched with melodramatic suddenness in order to meet a situation that should have been acknowledged and planned for months earlier, and that could even have been foreseen as inevitable on election day 1932. The burden of relieving destitution among millions of unemployed, particularly during a winter that was certain to be the hardest one of the depression, was inescapable. Yet the decision to establish the C.W.A. was delayed for 8 long months after inauguration, and its announcement only a month before the program was to be put into operation cannot be ascribed to anything else than the failure to get into action of the much-heralded Public Works program.

Anyone with the slightest knowledge of engineering and the construction business could have seen on 10 minutes' reflection that a vast national program of public works could not be expected to be in actual operation within 8 months' time. It is presumed that such knowledge was present. Therefore it can only be assumed that to delay in adopting the C.W.A. program and properly preparing for it must have been due to a care-free gamble on the employment and price-raising effects of the N.R.A.—a gamble of theory against the miseries of men.

Even assuming that the N.R.A. might have possibilities of accomplishing its objects, the slightest knowledge of the practical organization of our vast industries should have foreseen the impossibility of such a series of complex relationships being established and started working within anything less than a year.

Specifically, Administrator Hopkins was required to set up his spending organization with unprecedented haste, and he miraculously succeeded in having the entire program of employing 4,000,000 persons in operation only 35 days from the time he was given this assignment. The feat was certainly a remarkable one, but wholly unnecessary except from the viewpoint of administration showmanship. Any realist could have foreseen its consequences.

Realism, however, apparently has small share in guiding the administration's course. The laws of the world economic cycle were to be set aside by Executive fiat and replaced by the black magic of the new deal. The administration had found business weak and industry prostrate, so it forthwith tied them hand and foot with punitive regulatory measures and then sought to conjure up from

them millions of jobs through the N.R.A. To supplement these expected miracles, Congress was requested to appropriate \$3,300,000,000 for public works, on the assumption that this contribution would fill the pail of employment to the brim. A speculative boom ensued, which broke in July. Unemployment continued to be slightly reduced, however, until it reached its low of something more than 10,000,000 persons in September. After that, according to the estimates of the American Federation of Labor, it started again to increase.

At this point the administration suddenly appeared willing to acknowledge the fact that there would be unemployment and destitution during the winter, its program notwithstanding. Specifically, on November 9 the Civil Works Administration was established under Federal Emergency Relief Administrator Hopkins by Executive order. The plan was to give employment to 2,000,000 employable persons on the relief rolls and to 2,000,000 more from among the self-sustaining unemployed. The projects and the administrative machinery were set up accordingly, almost overnight. Ex-Governor Smith immediately charged, editorially, that this was an "alibi" for the incompetence of the Public Works Administration and declared the obvious truth that any program so hastily devised could not ultimately lead to "anything but confusion."

Such proved to be the case. Without properly planned methods for the selection of projects and personnel, without adequate machinery for disbursing funds for wages and materials, and without sufficient check upon human frailties in the handling of huge sums, the early weeks of the C.W.A. were attended with widening ripples of scandal reaching into almost every State of the Union. The Administrator, whose personal efficiency and integrity are beyond question, practically confessed that the situation had got out of control. In an interview reported in the Baltimore Sun, January 23, 1934, he is quoted as follows:

We are spending tens of thousands of dollars just to investigate charges of graft that fairly fill the air. The lid is liable to blow off at any minute. \* \* \* Some of our directors are incompetent; we will remedy that. \* \* \* Some of our projects are "lousy" and we know it. \* \* \*

The confusion was not only administrative but it even extended to the most rudimentary decisions on matters of policy and objective. The general decision to substitute useful work for relief was relatively simple to make. But the formulation of a wage policy in conformity with this required making more subtle decisions, and such decisions evidently were never clearly reached in the minds of those in authority.

In the first place there was, or should have been, the issue between wages based upon subsistence requirements, placing emphasis upon work as a means of relief, and wages commensurate with the value of the services performed and corresponding with normal employment conditions in private enterprise or in the Government service. At the outset minimum wages and maximum hours were prescribed, distinguishing between the character of the work and between the southern, central, and northern zones set up. Conflicts promptly ensued between wage schedules fixed by the C.W.A. and employment on farms and in private industries operating under N.R.A. codes. Employment with the C.W.A. in many cases was even more attractive and better paid than regular civil-service positions with the Federal Government. A wave of indignant protest from injured parties, especially those who were placed at a disadvantage in hiring labor, compelled the Administrator to reduce the maximum for working hours in order to bring the earnings of C.W.A. workers out of competitive range with other employment. This action was obviously a makeshift compromise only forced on the administration after harm had been wrought, when it should have been easily foreseen in advance.

No express stand was taken on the relative functions of the C.W.A. plan in the relief and recovery program. Two assumptions as to this are plausible. Either the C.W.A. was inaugurated for the chief purpose of spending public funds to best advantage in the relief of millions of destitute, and without humiliation to them, or else the enterprise was intended to give a left-handed boost to the economic recovery

to which other experimental and expensive measures were dedicated. If the first interpretation is sound, then the C.W.A. departed from its purpose by distributing funds without reference to financial status and need and by paying more than the Federal Government considers adequate remuneration for its own regular employees. If the latter theory motivated the administrative employment policy, then the attempt should be judged as an economic measure as well as a humanitarian one. There is no way of knowing what proportion of the difference between subsistence needs and wages paid by the C.W.A. found its way into the purchase of goods that would not otherwise have been purchased. Possibly this speeded recovery by increasing the general level of demands. But there is credible, though imponderable, evidence that a considerable portion of the surplus wage money was used in the repayment of private debts, and did not, necessarily, go directly into durable or consumable goods. In this case the C.W.A. achieved maximum efficiency in neither relief nor recovery.

Still another consideration may be advanced in examining the apparent confusion of purpose of the Civil Works Administration, other than the general principle of giving work instead of charity. The program was designed (a) to take 2,000,000 employable persons off the relief rolls. In pursuing this it would have been logical not only to give work to all employable persons on relief but to spread the expenditure in order to keep such persons off the dole and to give work to all persons needing it. This in itself would be a large and humanitarian undertaking. But the policy also provided (b) for employing 2,000,000 more persons from among the self-sustaining unemployed, on the theory that persons able and willing to work should be given that opportunity before they were driven to seek direct relief. Beside the total of 4,000,000 people employed at the peak of the program there were also, according to the United States News, 7,000,000 other employable unemployed. To have been consistent these also should have been given jobs, and at the prevailing rates of C.W.A. pay it would have cost \$100,000,000 a week, or more than \$5,000,000,000 to keep them on a year.

Originally it was announced that the C.W.A. was launched in order to provide useful jobs until recovery and the progress of the Public Works program, for which \$3,300,000,000 had been appropriated, should take up the slack. May 1 was given as the date for its termination. At the end of January Administrator Hopkins announced, however, his intention of discontinuing the whole program a month earlier. This announcement was made without any basis of evidence that either industrial recovery or public works would be sufficiently advanced by that date to relieve the unemployment situation. On the contrary, unemployment remained undiminished, and the May figures of the American Federation of Labor show no net improvement since September 1933. Demobilization was carried out despite protests, strikes, and some serious disorders. Here we have a curious example of planlessness in giving jobs to a portion—hardly more than a third of the unemployed—in many cases without reference to need, and then discharging them at an arbitrarily fixed date, having no reference to actual conditions.

One of the reasons assigned for this action was the expressed belief that the advent of warm weather in southern States would mitigate the hardships of destitution. But here again logic is lacking, since a large portion of Federal Relief and Civil Works funds were distributed in southern States where winter does not materially increase the needs for clothing and shelter and where winter crops supply the northern markets with food. It seems, then, that either the C.W.A. was a mere makeshift from its hasty beginning to its unexpected ending or else that it was abandoned for another reason, namely, that the rapid rise of administrative break-down and scandal threatened such disaster and discredit to the administration that it dared not continue. There is little question that a request for sufficient funds to continue would have been granted by a generous and docile Congress.

Thus we find a theoretically sound and desirable emergency effort conceived under unpropitious circumstances, launched with a needlessly dramatic flourish, thoroughly vague as to its practical objectives, and clouded from start to finish with bewildering paradoxes. It could not fail to produce a measure of immediate benefit simply by placing approximately a billion Federal dollars in circulation, much of it in the hands of persons with little or no other means of self-support. But it appears to have been the most blundering sort of improvisation undertaken in a sublimely shortsighted irresponsibility. The details of its tortured life and inglorious death have occupied thousands of columns in the press for months past. I need not recall to mind some of the outstanding cases. In recapitulation, however, it is impressive to review the general types of charges and allegations that were reported almost since the first week of the undertaking. They include fanciful selection of projects giving the dignity of useful labor an Alice-in-Wonderland aspect; almost incredible instances of administrative incompetence, working hardships upon the employed and discriminations against deserving classes of needy applicants; supervisory stupidities involving waste and destruction, and minimizing the social utility of work done at great public cost; political parasitism by which nearly unsupervised disbursements were diverted to personal political advantage; a sordid multiplicity of petty graft and large corruption bringing disillusion and discredit upon a generous humanitarian undertaking intended to raise the morale of a depression-weary people.

Politicians were prompt to make the C.W.A. a means of political profit by using their influence in the selection of the field personnel. Administrator Hopkins admitted that "political interference has been a difficulty." And he pointed out that not only were cases of such interference difficult to prove, but also that "the answer of anybody who would be charged or had been charged is—and it is a pretty complete answer—'Well, you put the men to work, didn't you? We did not hold you up'; and they did not." The New York Times calls this relief the blackest single spot in the whole new-deal picture. This state of affairs leads to two significant conclusions. The first is that the hastily assembled administrative machinery of the C.W.A. was of a nature especially susceptible to the injection of political chicanery into the relief effort. No doubt this could have been avoided to a large measure by more careful preparation and organization.

The second feature is the danger that through political parasitism of this nature a Frankenstein monster, as one paper described it, may be raised up to bedevil the political futures of Members of Congress. It might become a system by which a few self-interested politicians could enforce their ethical standards upon otherwise scrupulous men in public life by using Federal relief jobs as a competitive ballot magnet. The consequences of such a situation are fraught not alone with dangers to the effectiveness of a civil-works program in affording a maximum of relief, but also with the menace of creating a class vested with the political power of intimidating a bloc in Congress to support continued outpourings of Government funds for similar purposes.

Finally, any relief program of the nature of the C.W.A. that may be created or discontinued by Executive order out of funds not especially earmarked for the purpose may be used as a powerful political weapon to the detriment of the minority power that would be unable to promise similar monetary rewards for support at the polls. Should a renewal of the program be announced or hinted prior to the 1934 elections, the public funds to be spent would constitute an invincible campaign war chest. Yet the need for some such program may well become evident next November and be acknowledged by both parties.

It is self-evident that at least one or two more winters will find the country with millions of unemployed having progressively less reserves to fall back upon and becoming, therefore, increasingly dependent for life itself upon the bounty of the Government. It is also obvious that although

disinterested opinion appears unanimous that social insurance must be adopted as a preventive, it will be for future long-range use and could not assume the burden of supporting the masses already out of employment.

From this it follows that a vast program of relief, either through work or dole, must be planned, and sooner or later put into effect as a relatively continuing institution capable of fulfilling its purpose until normal recovery absorbs the surplus of labor, and until social insurance and some sort of vocational rehabilitation for the technological unemployed are effectively in operation.

According to a recent announcement, the administration plans a novel step in the direction of such relief, namely, to take over a number of factories and to go into the manufacture of an unspecified variety of articles at an unspecified cost to be provided for out of relief funds. In the absence of more specific information on this at the present time, such a plan must be dismissed as the answer to the relief problem. For if this undertaking is launched on a scale sufficient to absorb more than ten million unemployed, then we shall have reached the complete Sovietization of America and no observations upon unemployment relief would be pertinent anyway. If, on the other hand, this manufacturing is to be applied on a moderate scale, it will only represent another example of political charlatanism having nothing fundamental to do with unemployment.

Accepting the theory that, insofar as practicable, work is preferable to direct doles, the history of the C.W.A. affords some useful lessons that should be considered in the formulation of future relief programs. The experience, I believe, points to the following suggestions:

Insofar as possible, the number of Federal officials in charge of administering civil works should be kept at a minimum, and they should be chosen on the basis of merit through civil service or other examination. Probably the funds should be apportioned to the States on an equitable basis, to be administered by the State agencies responsible for public works, subject to strict Federal regulation and audit. A percentage of the State allocations could be set aside to cover the additional administrative burden upon the State.

This would tend to reduce political interference, dishonest administration, and fanciful selection of projects.

Regulations as to wages and hours should be so framed that employment would not tend to foster the notion that the Government owes everyone an easy job at good wages.

Regulations should insure that in no instances Civil Works employment might become more attractive than any form of private employment prevailing within the general region.

In order to achieve the maximum spread of relief benefit for the public funds expended—with especial view to the fact that every dollar unnecessarily wasted in the effort increases the danger to the national credit—regulations should specify that although no pauper's oath or other declaration should be required, the principle of need and dependency should be observed in the distribution of employment.

Wages paid should be fixed at decent family subsistence rates, irrespective of the character of the work or training of the employee. Subsistence here should be estimated according to geographical sections and the distinctions between rural, town, and city populations. Although this principle appears harsh and disadvantageous to the skilled and white-collar worker as compared with the unskilled laborer, it would prevent equally unfair discriminations against some unorganized professional persons, such as existed under the C.W.A. Moreover, it preserves the purity of the relief principle against the temptation to play favorites.

The policy of favoring projects involving substantial purchases of materials locally produced by private industry should be adhered to in order to stimulate local enterprise to the point of bringing about reemployment. This would also tend to eliminate projects of small or no lasting social benefit, such, for example, as the manicures for prisoners and golf and bridge lessons reported to have been administered by C.W.A. employees.

Instead of extending to employees the benefits of the compensation laws, involving huge contingent and continuing pension expenses, a percentage of the State allocations should be set aside on an actuarial basis as an accident-insurance fund providing for lump-sum payments in case of injury or death.

In contrast with the vacillations of the C.W.A., with its final premature demobilization, the intention to adhere to a reasonably continuous policy should be declared to afford workers a feeling of security and the opportunity to re-adjust their lives on a decent subsistence basis until such a time as better jobs become available outside. The financial implications of planning such a continuing policy for a certain period, and the resulting strain upon the national credit are so great that special emphasis should be kept on confining employment to the needy, keeping administrative costs at a minimum, and paying wages no higher than subsistence requires.

It is believed that such a program would be effective in combining relief with work that would preserve the self-respect of the relieved. In the long run the psychological effect would probably be far healthier than was the C.W.A. plan of offering many kinds of jobs, many of them soft and well paid, and then permitting them to vanish without rhyme or reason.

Finally, I believe that regulations to achieve these purposes could be framed and applied, and that they would go far in removing the wastes, abuses, and maladministration that obtained in the politicians' paradise, as the C.W.A. was frequently termed. By placing as much responsibility as possible upon established branches of the State governments little graft would flow into the pockets of Federal appointees. Moreover, if State officials are accountable for relief, the average voter will have a much more direct avenue for complaint and recourse, and the selection or refusal of suggested projects will not be explainable on the grounds of dictation from a distant and unapproachable national capital. The opportunities for making a creditable record or for incurring local ridicule will provide the incentive for greater efficiency and discretion in administration.

Let us not commit such a colossal blunder next winter as we did last.

#### OUR FUTILE AND INCONSISTENT FARM POLICY

Mr. HOPE. Mr. Speaker, although volumes have been written on the subject of farm relief, the basis of all the farmer's troubles in recent years can be stated in one sentence, namely, he has been selling in a low market and buying in a high market. The purpose of all legislative and other efforts to remedy farm conditions since the War has been to get farm prices and other prices into their proper relationship or, as it has been described, to secure a parity price for farm products.

The actual price of farm products counts for little, and what really matters is the purchasing power of those products in other goods. Dollar wheat sounds better than 50-cent wheat, but if the price of other articles doubles while wheat is going from 50 cents to a dollar, the farmer is no better off than before.

During the years since the war there has been much complaint of low farm prices. As a matter of fact, during most of that time farm prices were high as compared with pre-war, but relatively not so high as other prices. In other words, the farmer's trouble came less from low prices for his own products than from high prices for the things which he bought.

The present administration recognized this situation and announced in the beginning that its purpose was to restore parity prices for agriculture. In that endeavor it has had the loyal support of Congress, of all the great farm organizations, the almost unanimous cooperation of the 6,000,000 farm families of the country, and with few exceptions the support of the press and other opinion-forming agencies. A great organization, composed for the most part of able, sincere, and earnest men, has been set up to carry into effect the Agricultural Adjustment Act. Prices of some

agricultural products have advanced materially, farm incomes have increased, but the fact remains that at the present time the relative position of agriculture, from the standpoint of price, is no better than it was a year ago.

Let us look at the figures as compiled by the Bureau of Agricultural Economics of the Department of Agriculture. These figures as to price and purchasing power are based upon a comparison of farm prices and purchasing power now as compared with the period of July 1909 to August 1914. This 5-year period is used because agricultural economists generally recognize that the relationship between agricultural and other prices was more nearly upon a fair and equitable basis during those years than any time since. These figures show that for May 1934, the index number of the farmer's purchasing power was 61, as compared with 100 for the 1909-to-1914 period. In other words, as compared with its pre-war value the farmer's dollar is worth 61 cents. That is also exactly what it was worth in May 1933. So the average farmer is today just where he was 1 year ago, in spite of all the emergency and other legislation which has been passed, in spite of the devaluation of the dollar, and notwithstanding the expenditure of more billions than any nation ever spent in 1 year in time of peace.

It is true that farm prices have advanced during this time. In May 1933 the index number of all farm prices was 62; in May 1934 it was 74, 12 points higher. The difficulty, however, comes from the fact that the index number on commodities which the farmer buys has risen from 102 in May 1933 to 121 in May 1934, thus canceling every penny of advantage gained by increased farm prices. The above figures as to price and purchasing power cover all agricultural products. There is a great deal of difference in the purchasing power of different classes of these products. In the case of some of them, particularly products in the South and on the Pacific coast, such as fruits and vegetables, cotton and cottonseed, there has been an increase not only in price but in relative purchasing power. In the case of grain and dairy products there has been about enough increase in price to absorb the increase in living costs, while in the case of meat animals there has not only been a decrease in purchasing power but an actual lowering of the dollars-and-cents price received.

Attention should be called to the fact that the figures herein cited do not take into account benefit payments which have been made to farmers in compensation for acreage reductions, nor should they be included. Whatever form these payments take, or by whatever name they may be called, they are essentially rent paid upon land taken out of production. These payments are the only income which the farmer derives from the acreage in question. If he reduces his wheat acreage 15 percent, or his cotton acreage 40 percent, he will have that much less cotton and wheat to sell, so while it is perfectly proper to include these payments in computing the total income of the farmer, they cannot be used in determining the price level of the products which the farmer actually sells.

At this time the figures for June are not available. Undoubtedly, due to the effects of the greatest drought in our history, they will show some increase in farm prices. At the same time it is almost certain that they will show an increase in other prices, so that even in the face of a disastrous crop failure which has entirely destroyed the purchasing power of some farmers the buying power of those who have crops has not increased to any appreciable extent.

The most significant feature of the entire situation is that from April 1933 to July 1933, before any of the emergency legislative program had been put into effect, there was an increase in not only agricultural prices but purchasing power as well. In April 1933 the farm dollar was worth 52 cents. By May it had gone to 61; in June it was 62; in July, 71; in August it dropped to 64; and as already stated is now back to 61.

It is easy to see what happened. By August the N.R.A. campaign had gotten under way and the price of products which the farmer buys started up. The index number of

these products was 107 in July; by August it was 112; in September, October, November, and December it was 116; in January, 117; and it is now 121.

It is not necessary to cite these figures to farmers, they know the story only too well. Every farmer who has bought a pair of overalls, a bill of lumber, a pound of nails, a piece of farm machinery, or any other of the many articles in common use in the household and on the farm, knows that the increased price of what he buys had nullified any possible advantage gained from higher farm prices. In other words, every farmer knows that in spite of all the propaganda and publicity which has been put out to the contrary he is still holding the sack.

The above is not said in criticism of the Secretary of Agriculture or the able and earnest men who are in charge of the Agricultural Adjustment Administration. The trouble is that they have been given an impossible task. With the N.R.A. and its codes increasing industrial prices, the A.A.A. has no more chance of catching up and bringing agricultural prices to parity than a greyhound has of catching the mechanical rabbit at a coursing meet.

In fact, the failure to make any progress toward parity prices merely affords another illustration of the inconsistency and futility of many phases of the new-deal program. As far as the farm situation is concerned, everyone in authority knows that agriculture cannot be placed on a sound basis until its prices bear a fair relationship to other prices. That might be done by increasing farm prices to the level of other prices, by bringing other prices to the level of farm prices, or by bringing farm prices up part way and industrial prices down part way. Certainly, no sensible person would think it could be accomplished under a plan which not only permits but encourages industrial prices to go higher, yet that seems to be the policy which is being followed. The idea of the administration is apparently to be a good fellow to everybody, therefore, after the machinery was set up by which it was hoped to increase farm prices, it was easy for big business and industrial leaders to persuade the President and his advisers to set up the N.R.A. Whether those who sponsored and urged the N.R.A. deliberately had in mind the idea of perpetuating the price disparity between agricultural and industrial prices or not, the result has been the same.

I have been speaking mainly of the immediate effect of the N.R.A. policy on agriculture. Harmful as that might be, the permanent effects are likely to be much worse. The great enemy of the farmer has always been monopoly. He has paid inordinate prices for many of the things which he had to buy because the seller fixed his own prices. The N.R.A. has resulted in the entrenchment and protection of monopoly in this country to an extent never dreamed of before. It has handicapped and in many cases put out of business the farmer's best friend, the small-town merchant, and has made stronger the position of the big chain store, so that, bad as the immediate effect of this policy has been, the ultimate effect may be even worse.

But the inconsistency of trying to reconcile the N.R.A. and the A.A.A. is only one of many inconsistencies as far as the agricultural policy of the administration is concerned. Take the matter of acreage reduction. Under the plan of the A.A.A. millions of acres of good land are being temporarily withdrawn from production, and farmers are being paid rent or its equivalent in benefit payments as compensation for the same. Plans are in the making for the purchase of millions of acres of so-called "marginal lands." Well and good, perhaps, but at the same time we are doing the utterly inconsistent thing of spending further millions for the purpose of bringing new land into cultivation under irrigation and reclamation projects. The Public Works Administration has authorized the allocation of funds for various reclamation projects through the West totaling in all \$227,000,000, of which \$103,000,000 is to be immediately available. This vast authorization is more than has been spent on reclamation by the United States from the beginning of the reclamation program down to the present. It is problematical just how much new land will be brought

into cultivation by this new expenditure or of the effect which it will have on crop production. In view of the history of past reclamation projects, it is quite probable that the Government is wasting most of this money and that the actual amount of land to be brought into production will not have much effect.

There was a time in this country when water could be put upon desert land at a cost which would justify the expenditure and enable a farmer to make a living. That time is long since passed, as the history of the Reclamation Service well illustrates. It is said that cost per acre of putting water on some of the projects which have been authorized by the Public Works Administration will run as high as \$350 per acre. It is implied, however, that all of this expenditure will not be charged up to the land, and that it is hoped to pay a part of the expense through the sale of power. No one knows of any place where the power can be sold; but even assuming that there were a market, the cost allocated to the land will be at least \$80 or \$90 per acre. Many reclamation projects in which the cost per acre has been \$50 or less have never been successful, and it is utterly impossible for any project to be a success with overhead charges of \$80 or \$90 per acre to start with. More than that, it is hardly less than criminal to induce settlers to go on this land and undertake the impossible task of making a living on it. The irony of the situation is shown by the fact that it is proposed in many cases to buy up land now in cultivation in the same areas in which irrigation projects are proposed to be established, on the ground that the dry land is submarginal, whereas anyone who is familiar with conditions in the Western States will concur in my assertion that in almost every instance the farmers upon the so-called "dry land" have made more money and have had better success than those upon the irrigation projects. The fact of the matter is that practically all of the land under our Federal reclamation projects today is marginal land in the sense that it cannot possibly be profitable to cultivate it and pay the necessary charges involved in putting water on it. It is much more marginal than the dry land in the same area which it is proposed to retire from cultivation.

Whatever the effect of these reclamation projects may be as to bringing additional land into cultivation, it is certainly hard to reconcile the expenditure of over \$200,000,000 for that purpose, when at the same time we are paying further hundreds of millions to take good land out of cultivation.

Another ironical feature of the situation is that the most successful crop which can be grown upon reclamation projects is sugar beets. Yet the present administration is committed to a policy of holding our sugar production at its present level, which will prevent the use of any of this reclaimed land for the purpose for which it was best fitted.

Consider also the situation in the Department of Agriculture itself. On the one hand there is the Agricultural Adjustment Administration, which is engaged in the project of reducing wheat acreage and production 15 percent in order to get rid of the wheat surplus. In the same Department there is the Bureau of Home Economics, doing its best to increase the wheat surplus by preparing, printing, and distributing dietary circulars urging consumption of less wheat.

If time permitted, other instances might be cited to illustrate that it is apparently the settled policy of this administration not to let its right hand know what its left hand doeth.

American farmers are not fools. They are perfectly willing, indeed, glad, to cooperate with the A.A.A. in its efforts to reduce surpluses and improve farm prices. They are not willing, however, to do their part in reducing acreage and production when other Departments of the same Government are nullifying and neutralizing any good effects which may come from the farmers' cooperation. It is time for someone to check up on the various theorists who appear to be working at entirely cross purposes in developing the policies of this administration. Up until now the policy seems consistent only in one respect, and that is that everything which exists is assumed to be wrong and must be changed. Those who appear to be in authority apparently know little and care less as to what the effect of these changes is going

to be. The American farmer, however, is not inclined to play the role of guinea pig and submit himself to unlimited experiments merely to permit someone to see how they are going to work out. He is going to demand common sense and consistency in any program in which he has a part. Certainly no one can criticize him in taking this position.

#### DECORATION DAY ADDRESS

Mr. HOIDALE. Mr. Speaker, under leave to extend my remarks, I desire to place in the RECORD a Decoration Day talk delivered by me over the radio at Washington, because it expresses, broadly speaking, my personal attitude toward veterans and veteran legislation.

The address is as follows:

With thousands of others I stood this morning with bared head before the Tomb of the Unknown Soldier at Arlington.

What thoughts passed through the minds of these men and women who, with heads bowed in silent prayer, paid tribute to the unknown?

Who was he whose remains have been enshrined in this tomb of mystery?

What was his name and from what city, hamlet, or countryside did he come?

Nobody knows.

Did he leave behind a mother, a brother, a sister, or a sweetheart?

Nobody knows.

Is there somewhere in this land, for which he sacrificed all, a wife whose husband never came back or are there somewhere, perhaps, children whose father never returned?

Nobody knows.

The answer to these questions will forever rest in the bosom of impenetrable mystery until the last trumpet sounds the eternal reveille.

All we now know and all we will ever know is that he was one of many who gave all there was to give without leaving behind a trace to connect him with the fireside from which he had been torn on the day he embarked on his last long voyage.

But nameless though they be, there rests upon those of us who are here today a debt of gratitude difficult to meet in full.

No doubt this thought impressed the multitude that visited the Tomb at Arlington on this Memorial Day.

As we look back over vistas of our Nation's history, we see the ranks of soldiers of other wars, each holding a place of honor and affection in the hearts of our people.

The soldiers of our early wars have all responded to the final bugle call. The few heroes of the Civil War who still linger with us are honored, respected, and loved by our people. Soon these patriots of Lincoln's day will have joined those who served and bled under the leadership of Washington. Their services to the Nation will never be forgotten by the American people.

Let us not forget that it is always easier to have a grateful memory for those who have departed than it is to do our full duty toward those who are still with us. I think it can be said of the American people that they have been fairly liberal in their treatment of our soldiers in the past, and there is no good reason for believing that this attitude will be reversed. We Americans want fair play, and if at times there is a failure to do what is right, the reason for such failure is found in lack of information and lack of understanding. We must not forget that fair play means a fair-minded attitude in all parties concerned. It cannot be one-sided.

So I repeat on this day of devotion what I have often said before to our soldier boys: Do not overlook the value that lies in public opinion and public sentiment. Sympathy and support once lost are not easily regained.

When our soldiers returned from foreign lands, they were heroes in the eyes of all. They enjoyed the esteem and love of our citizens. We want that feeling of good will to endure to the end. The most unfortunate thing that could happen to America would be the creation of a spirit of antagonism between veterans and any considerable part of our citizens. What I mean to point out is that a spirit of good will toward the veterans can only be held through an equally fair spirit on the part of the veterans themselves.

I have no doubt as to the fair attitude of the rank and file of the soldiers, but there is danger that a number of individuals and smaller groups claiming to speak for the veteran will prejudice public sentiment not only against themselves but against those as well who are free from blame. This is something that should be guarded against, not only in the interest of the soldiers but also in the interest of the country as a whole.

What we must seek for and what we must find, as nearly as possible, is a proper basis upon which to establish justice and fair dealing. In many cases the Government has no doubt been wronged, and in many other cases injustice has been suffered by individual veterans. To weed out the wrong and to establish the right is not an easy task, but I have faith that there is a general disposition to be just and that the near future will bear out this faith. Injustice will not be tolerated, but, in spite of all we can do, perfection cannot be reached. We must be patient, reasonable, and fair. Let us not speak words in haste and anger which may give us cause for regret in days to come.

Much dissatisfaction has been expressed by soldiers over the Economy Act, and in some instances the administration has been

charged with a disposition to be cruel and unjust to service men. I feel satisfied that our President intends to see that justice is done.

The best interests of the service man himself require that Government support should be given only to those who are deserving. The service man is interested in weeding out fraud wherever it is found, because every case of fraud results in public opposition and public prejudice, to the injury of those who really are deserving and worthy of help.

The best thing the service man can do for his own good is to help the Government in its efforts to separate worthy and deserving cases from those which are not deserving. That is what the Government is now trying to do, as I understand it. When that has been done, public sentiment will fall in behind any reasonable claim made by veterans, and we shall then have the good feeling and good will that should exist.

Memorial Day should serve to remind us of our obligations to those who are still with us. It should serve to bring us together on a basis of better understanding and more enduring friendship.

I said in this radio speech what I have often said to veterans at meetings at which I have been invited to speak.

My attitude has not changed. I have stood and still stand for a full measure of justice to all deserving service men, and I believe that veterans who seek to punish friends, who conscientiously endeavor to perform their duty, make a great mistake. The public will stand by those who are fair and reasonable in their attitude and in the performance of their duty.

In the administration of veterans' affairs we have had cases of great injustice to deserving men and their families. In dealing with millions, it is difficult to avoid such mistakes. But mistakes should be corrected as soon as they are discovered. The aim should always be to do justice. All veterans are entitled to that, and in that the public will back them.

LOWERING OF THE GOLD CONTENT OF THE UNITED STATES DOLLAR AND ITS EFFECT ON TRADE RELATIONS

Mr. McFADDEN. Mr. Speaker, I desire to refer to the following addresses recorded in the CONGRESSIONAL RECORD January 20, 1934, pages 970 to 976; January 24, 1934, pages 1292 to 1299; March 22, 1934, pages 5053 to 5066. The remarks that I am now making complete the tabulation referred to in my January 20 and March 22 addresses. I now insert a statement showing to what extent the devaluation of the United States dollar will improve Canadian trade balances with the United States of America.

The devaluation of the American dollar, under the provisions of the Gold Reserve Act of 1934, will benefit substantially Canada's trade balances with the United States of America.

On the assumption that the volume and prices of our merchandise exports to the United States during the year 1934 through 1941 will be limited to approximately the same volume and prices that obtained during the year 1926 through 1933, and that our export trade to the United States will follow the same trend backward from 1933 to 1926. Canada's merchandise balances in the United States will be on the credit side in lieu of being on the debit side as heretofore. During the fiscal years ending March 31, 1926, through 1933, Canada's debit balances in the United States were as follows:

1926	\$121,848,094
1927	206,830,860
1928	221,200,258
1929	345,612,454
1930	\$309,722,460
1931	219,527,899
1932	106,313,859
1933	88,401,287

By inverting the year 1933 for the year 1934, the year 1932 for 1935, the year 1931 for 1936, the year 1930 for 1937, the year 1929 for 1938, the year 1928 for 1939, the year 1927 for 1940, the year 1926 for 1941, the money consequences of the devaluation of the American dollar will be that the above debit merchandise balances from 1926 through 1933 will be converted into credit merchandise balances in favor of Canada.

For example, take the year 1932; our exports that year were \$245,671,587 and our imports were \$351,985,446. The debit balance against Canada was \$106,313,859. Under the Gold Reserve Act of 1934 the American dollar is fixed at 0.590620 percent of its former fixed weight in terms of gold prices. It follows, therefore, that if Canada will export merchandise to the United States and to all her dependencies to the extent of \$245,671,587 in the year 1935, this latter sum will become \$415,955,414 in American paper dollars. The difference between \$415,955,414 and \$245,671,587 represents a gross profit of \$170,283,827 in American paper currency. By deducting from \$170,283,827 the debit balance of \$106,313,859, there will remain a net credit balance of \$63,969,968 in favor of Canada.

In other words, if our exports become \$415,955,414 in American depreciated currency, and the value of our imports from the United States amount to \$351,985,446, representing dollars having a fixed value of 0.590620 percent, as fixed by the Gold Reserve Act of 1934, it is obvious mathematically that Canada will have a net merchandise credit balance of \$63,969,968 in American paper currency—that is to say, \$37,781,941 in American gold bullion.

The following tabulation shows the amounts of gross profit that will accrue to Canada each year, the net credit balances in American paper currency, and the equivalent of these American paper dollars in American gold bullion. These gold-bullion credits are the absolute property of our producers and exporters. If our producers and exporters withdraw these gold-credit balances from the United States and deposit them with our Canadian banks, there is no valid and legal reason why the Government of Canada should confiscate this gold and pay the owners thereof at the rate of \$20.67, when gold may be arbitrarily fixed in value at, say, \$35 per fine ounce. The profits between these two prices is the absolute property of the producers and/or exporters of Canada.

Years	United States gold standard of 1900			United States gold standard of 1934					
	Canadian exports	Canadian imports	Excess imports	Canadian exports	Canadian imports	Gross profit	Excess imports	Net excess export profit	Net excess gold credit
1934 (1933)	\$144,383,741	\$232,785,028	\$88,401,287	\$244,461,313	\$232,785,028	\$100,077,572	\$88,401,287	\$11,676,285	\$6,906,247
1935 (1932)	245,671,587	351,985,446	106,313,859	415,955,414	351,985,446	170,283,827	106,313,859	63,969,968	37,781,941
1936 (1931)	365,427,743	584,955,642	219,527,899	618,718,876	584,955,642	253,291,133	219,527,899	33,763,234	19,941,241
1937 (1930)	538,408,701	848,131,161	309,722,460	911,599,168	848,131,161	373,190,467	309,722,460	63,468,007	37,485,474
1938 (1929)	523,062,334	868,674,788	345,612,454	885,615,681	868,674,788	362,553,347	345,612,454	16,940,893	10,005,630
1939 (1928)	498,338,696	719,538,954	221,200,258	843,755,199	719,538,954	345,416,503	221,200,258	124,216,245	73,364,598
1940 (1927)	480,815,269	687,646,129	206,830,860	814,085,654	687,646,129	333,270,385	206,830,860	126,439,525	74,677,712
1941 (1926)	487,290,091	609,138,185	121,848,094	825,048,408	609,138,185	337,758,317	121,848,094	215,910,223	127,520,895

Condensed statement showing Canada's world-trade balances under devaluation of her dollar to United States of America dollar under Gold Reserve Act of 1934

Years	Gold Standard Act of 1900			Gold Standard Act of 1934				
	Canadian imports	Canadian exports	Excess exports (+) excess imports (-)	Canadian imports	Canadian exports	Aggregate excess imports	Net excess imports	Exportable gold
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1934 (1933)	\$406,271,329	\$473,799,955	+\$67,528,626	\$687,872,623	\$473,799,955	-\$214,072,668	-\$214,072,668	\$126,435,598
1935 (1932)	578,503,904	587,565,517	-9,061,613	979,485,801	587,565,517	-391,920,284	-391,920,284	231,475,968
1936 (1931)	906,612,695	817,028,048	-89,584,647	1,535,018,616	817,028,048	-717,990,568	-717,990,568	424,059,589
1937 (1930)	1,248,273,582	1,144,938,070	-103,335,512	2,113,496,972	1,144,938,070	-968,558,902	-968,558,902	572,050,253
1938 (1929)	1,265,679,091	1,388,896,075	+123,216,984	2,142,966,867	1,388,896,075	-754,070,792	-754,070,792	445,369,291
1939 (1928)	1,108,956,466	1,250,598,084	+141,641,618	1,877,614,144	1,250,598,084	-627,016,110	-627,016,110	370,328,254
1940 (1927)	1,030,892,505	1,267,573,142	+236,680,637	1,745,441,239	1,267,573,142	-477,868,097	-477,868,097	282,238,455
1941 (1926)	927,328,732	1,328,700,137	+401,371,405	1,570,093,684	1,328,700,137	-241,393,547	-241,393,547	142,571,856
Total	7,472,518,304	8,250,098,978	+786,580,674	12,651,989,946	8,259,098,978	5,179,471,642	4,392,890,968	2,594,529,259
Average	934,064,788	1,032,387,372	+98,322,584	1,581,498,743	1,032,387,372	647,433,955	649,111,371	324,316,157



Statement of salaries and wages, by industries, on percentage basis, of business capital invested in Canada by United States, Canada, Great Britain, and all other nations—Con.

Provinces (1)	Category (2)	United States (3)	Canada (4)	Total (5)	Great Britain (6)	All other nations (7)	Total (8)	Aggregate (9)
New Brunswick	(F) Mining	\$491,534	\$556,981	\$1,048,515	\$33,111	\$630	\$83,791	\$1,132,306
	(G) Miscellaneous	2,448,838	1,425,871	3,874,709	2,873,595	80,582	2,954,177	6,828,886
	Total Percentage	9,473,689 29.07	15,851,614 48.63	25,325,303 77.70	6,985,263 21.43	281,189 0.87	7,206,452 22.30	32,591,755 100
Prince Edward Island	(A) Railways	\$477,632	\$1,216,207	\$1,693,839	\$567,502	\$19,618	\$587,120	\$2,280,959
	(B) Central electric, electric railways, and telephones	74,657	57,015	131,672	16,099	1,963	18,092	149,764
	(C) Trading establishments	165,603	979,683	1,145,286	91,573	7,341	98,914	1,244,200
	(D) Pulp, paper, lumber	32,674	12,180	44,854	8,658	505	9,163	54,017
	(E) Metal industries	32,123	29,370	61,493	2,987	745	3,732	65,225
	(F) Mining							
	(G) Miscellaneous	226,226	131,723	357,949	265,466	7,446	272,912	630,861
Total Percentage	1,008,915 22.80	2,426,178 84.82	3,435,093 77.62	952,285 21.52	37,648 0.86	989,933 22.38	4,425,026 100	

GRAND SUMMARY

Dominion of Canada:								
Ontario	\$185,740,254	\$275,614,850	\$461,355,104	\$114,687,226	\$5,222,628	\$119,909,854	\$581,464,958	
Quebec	116,610,155	174,112,637	290,722,792	80,280,240	3,427,253	83,087,493	374,410,285	
British Columbia	32,749,809	55,805,688	88,555,497	13,963,092	777,739	14,740,831	103,296,328	
Manitoba	22,019,665	42,158,296	64,178,061	14,711,213	676,357	15,387,570	79,565,631	
Alberta	14,338,240	34,769,408	49,107,646	8,739,004	409,472	9,148,476	58,256,122	
Saskatchewan	11,507,158	31,732,021	43,239,179	9,837,090	424,084	10,261,183	53,500,362	
Nova Scotia	11,541,457	21,366,824	32,908,281	6,487,670	295,353	6,783,029	39,691,310	
New Brunswick	9,473,689	15,851,614	25,325,303	6,985,263	281,189	7,266,452	32,591,755	
Prince Edward Island	1,008,915	2,426,178	3,435,093	952,285	37,648	989,933	4,425,026	
Grand total	404,989,342	653,837,614	1,058,826,956	256,623,098	11,551,723	268,374,821	1,327,201,777	
Percentage	30.51	49.26	79.77	19.33	10.90	20.23	100	

Statement showing salaries and wages by Provinces of Canada and by categories of industries in each Province of Canada in years 1930-31

Provinces	Pulp, paper, lumber (1)	Metals (2)	Mining (3)	Central electric stations (4)	Miscellaneous industries (1, 2, 3, 4) (5)	Total industries (1, 2, 3, 4, 5) (6)	Steam railways (7)	Electric railways (8)	Tele-phones (9)	Trading establishments (10)	Total (7, 8, 9, 10) (11)	Aggregate (12)
Ontario	\$29,352,363	\$79,561,621	\$34,433,915	\$12,285,699	\$157,842,702	\$313,676,300	\$88,769,311	\$11,164,647	\$12,673,800	\$155,180,900	\$267,788,658	\$581,464,958
Quebec	21,046,553	35,585,942	15,190,714	6,162,591	109,375,764	187,362,564	74,474,237	8,722,059	10,122,325	93,729,100	187,047,721	374,410,285
British Columbia	13,240,686	8,408,856	13,035,722	2,172,661	5,784,415	42,642,340	17,979,274	3,173,025	3,225,789	36,275,900	60,653,988	103,296,328
Manitoba	664,080	7,430,019	4,372,044	2,001,487	16,238,579	30,706,209	18,113,447	1,899,392	1,807,883	27,038,700	48,859,422	79,565,631
Alberta	221,576	2,149,306	7,876,394	1,083,851	3,104,202	14,213,753	18,918,489	896,874	1,570,506	22,656,500	44,042,369	58,256,122
Saskatchewan	221,576	558,358	1,040,790	1,005,370	4,720,609	7,546,703	23,829,246	416,133	1,000,780	20,707,800	45,953,659	53,500,362
Nova Scotia	1,460,037	3,015,584	6,220,715	1,002,111	3,183,226	14,881,673	13,346,360	497,157	901,720	10,064,400	24,809,637	39,691,310
New Brunswick	3,681,389	530,149	1,132,306	534,167	6,828,886	12,706,897	10,636,051	185,707	692,400	8,370,700	19,884,858	32,591,755
Prince Edward Island	54,017	65,225		60,019	630,861	809,122	2,280,959		90,745	1,244,200	3,615,904	4,425,026
Total	69,720,701	137,305,060	83,302,600	26,306,956	307,710,244	624,545,561	268,347,374	26,954,994	32,085,948	375,267,900	702,656,216	1,327,201,777

References:

- Column 6. Summary report: The Manufacturing Industries of Canada, 1931, pp. 41-48.
- Column 7. All Provinces: Canada Year Book, 1932, p. 543, and Statistics of Steam Railways of Canada, 1932.
- Column 8. All Provinces: Statistics of Electric Railways of Canada, 1932, p. 19.
- Column 9. All Provinces: Telephone Statistics of Canada, 1932, p. 2.
- Column 10. All Provinces: Statistics of Retail Trade in Canada, 1930, as stated in each report concerning retail trade in each Province.
- Column 12. All Provinces: Canada Year Book, 1932, p. 749, table 34, in comparison with amount of assessed income of Canada, 1930. The totals of columns 6 and 11 are equal to the aggregate in column 12.

You will observe in this statement that the United States, on a percentage basis of all foreign capital invested in the whole of the Dominion of Canada, contributes a general average of 30 to 51 percent as against Great Britain's 19 to 33 percent.

The importance of these tabulations will be immediately apparent because they prove conclusively that the labor element holds the key to the determination to the financial and economic situation which will necessarily arise in the not distant future between Canada and the United States. This is particularly true if the Bennett-Chamberlain oligarchy should carry out their contemplated plans. And we must not lose sight in this connection of the statement made on the floor of the House of Commons in London by Neville Chamberlain in connection with the President's proposal to devalue the gold dollar. He said:

According to the information we have, the depreciation of the dollar has not yet seriously affected British trade. I am carefully watching the situation in all its aspects and consideration will be given from time to time whether any action is necessary; and if so, what? A tariff increase is not the only device the Government has in mind if and when action becomes necessary to offset depreciation of the dollar. There are still provisions of the Ottawa agreements that have not yet been made use of but that might be invoked to allow various parts of the British Empire to take joint action to protect themselves against the rest

of the world in matters of trade. It is not in the interests of the nation that any publicity be given to the House of Commons in regard to the operations of the exchange-stabilization fund.

Mr. Chamberlain had well in mind the bill that the British House of Commons passed on May 30, 1933, known as the "agricultural marketing bill." Under the provisions of this bill all the food supplies of Great Britain were put under the control of five food dictators. These "economic generals" are absolute deciding factors in regard to the importation of all foodstuffs and raw materials into Great Britain. This gives Great Britain, if she so desires, the opportunity to direct any market whence foodstuffs and raw materials come. Competition between nations thus becomes crushed. The result is that prices can be kept down at levels which will enable Great Britain to live on while those nations which do not come within the circle of her economic areas will be left to suffer further depression and deflation.

Through the operation of her exchange-equalization fund the British Government is given the right to control all exchanges of all the debtors of Great Britain. This power enables Great Britain to stifle the export trade of all her oversea debtors. Such an example of the operation of this power is that Brazil and Argentina have not been able quite recently to satisfy the exchange requirements of American



exporters' consignments of goods to either of these two countries among many other countries where the same sort of conditions prevail.

The present Prime Minister of Canada, who is in favor with Neville Chamberlain, and his other cohorts at 10 Downing Street, know perfectly well that Great Britain has no intention of stabilizing the pound sterling, nor of even suggesting the revaluation of the gold content of the pound sterling. The actions which have been taken by the legislators in Canada and Great Britain in the recent past indicate preparedness on the part of Great Britain for a long, drawn-out economic battle. I refer particularly to the imposition in Canada by Great Britain of a central bank and the control of all exchanges and the marketing act for Canada patterned after the British act.

The powers that have been given to the President by the two sessions of Congress, which have just closed, give him almost absolute authority to deal with the international-trade situation, and through the exchange-stabilization fund authority to deal with the exchange situation. It means much to the American people as to how the President deals with this situation when he meets clever statesmen of the type of Chamberlain and Bennett.

THE RECORD OF THE SEVENTY-THIRD CONGRESS UNEQUALLED FOR THE ENACTMENT OF IMPORTANT LEGISLATION BY ANY CONGRESS IN TIME OF WAR OR PEACE

Mr. O'CONNOR. Mr. Speaker, the Seventy-third Congress is about to adjourn sine die, after 266 days in session, the shortest Congress, except one, on record, but only after having passed greater and more far-reaching and more important legislation than ever was enacted by any Congress or any parliamentary body in the world.

To summarize even briefly the work of this Congress is a tremendous task, but I do desire to point to some of the outstanding legislation which has been enacted in the Nation's legislative branch during the past 15 months.

When our great and beloved President, Franklin D. Roosevelt, took office on March 4, 1933, the country was at the lowest ebb of the depression through which it had gone for nearly 4 years. It was then estimated that 13,000,000 of our workers were unemployed, and at that moment every banking institution in the country was closed. The President thereupon immediately called a special session of the Seventy-third Congress, which continued in session until June 16, 1933.

#### THE SPECIAL SESSION

##### *Emergency banking act*

On March 9, 1933, this act was proposed, passed, and signed within the short space of 7 hours. It gave the President power to close all national banks and to reopen them under license. It also reempowered the Secretary of the Treasury to require the return to the Treasury of all gold and gold certificates held by anybody.

##### *The economy act*

This bill to carry out the pledges of the platform adopted at the Democratic National Convention in Chicago was enacted on March 20, 1933, and resulted in a saving of \$1,000,000,000 of the ordinary expenses of the Government.

##### *Prohibition*

The year 1933 saw the complete repeal of national prohibition. On March 22, 1933, Congress legalized beer, and in the fall the other beverages became legal by reason of the repeal of the eighteenth amendment.

##### *Civilian Conservation Corps*

On March 31, 1933, an act was approved setting up reforestation camps to employ 325,000 young men. This major relief has been considered by most people one of the greatest relief measures adopted to reduce unemployment and at the same time afford healthy and worth-while work for the youth of the country.

##### *Agricultural Adjustment Administration*

On May 12, 1933, this act was approved, the purpose of which was to increase the prices of farm commodities through allocation of production and withdrawing land from

production. It also provided for the refinancing of farm mortgages at 4½ percent in the amount of \$2,000,000,000 with interest on the bond issues guaranteed by the Government. The act also provided for the issuance of Federal Reserve credits in the amount of \$3,000,000,000 and gave the President power to alter the monetary system.

##### *The Gold Standard*

By an act of June 5, 1933, the Government went off the gold standard as to all Government and private obligations. This was a far-reaching enactment, but made necessary by the monetary policies of other nations and was intended to and did result in the increase of commodity prices.

##### *Securities Act*

On May 27, 1933, the President approved this act requiring registration with the Federal Trade Commission of all stock and bond issues proposed to be sold in interstate commerce. The act has worked beneficially to protect the investing public from false and fraudulent misrepresentations which had cost billions of dollars in the previous few years.

##### *Muscle Shoals*

After about 15 years of various attempts on the part of the Federal Government to put to work this great enterprise, which had cost our people about \$150,000,000, an act was passed authorizing the Government to proceed with the development of this great Tennessee Valley project, which has already resulted in the reduction of the cost of electricity to the people of that great territory, and its results will be felt throughout the country.

##### *Home Owners' Loan Act*

One of the greatest and most beneficially successful pieces of legislation ever enacted by any parliamentary body was this act which was approved April 27, 1933. It provided for the loan of \$2,000,000,000 to the people of the country, who were pressed with mortgages on their homes. The success of this legislation is acknowledged by everybody.

##### *Railroad reorganization*

In this special session of the Seventy-third Congress, on June 16, 1933, the President approved an act permitting the reorganization and consolidation of railroads so that the public might benefit by reduced rates and better transportation.

##### *National Recovery Act*

On June 16, 1933, the President approved the National Industrial Recovery Act, the most far-reaching piece of legislation ever adopted in this country or any other country in the world. This act was made necessary because of the condition of business throughout the country and the unfair practices of many businesses which took advantage of the depression to chisel. It was intended through the adoption of codes in the various industries to provide for fair practices, to increase wages, and to shorten hours of work, thereby spreading employment. One of its great achievements has been immediately to abolish child labor, for the elimination of which the States and the National Government have struggled for many years. This act also authorized the use of \$3,300,000,000 for works of a public nature, most of which has already been allocated by the Public Works Administration. Of this amount \$400,000,000 was set aside for highway construction, which has afforded employment to hundreds of thousands of the unemployed. The act also provided for the regulation of the petroleum industry, so that no producers would have an advantage over others.

##### *Insurance of deposits in banks*

On June 16, 1933, this act was approved, which insured deposits in all national banks and all other banks which desired to take advantage of the system up to \$2,500. This measure was intended to and has resulted in restoring confidence in our banks, so that during the past year bank failures have been very few compared with the thousands of failures during the previous year. This act also provided for the elimination of bank affiliates which had sold bonds and stock issues to its customers with a tremendous resultant loss.

*Farm Credit Act*

On June 16, 1933, a law became effective to provide loans to the farmers for the production and marketing of their crops. Hundreds of thousands of farmers have been benefited by the provisions of this legislation.

*Aid to Insurance Companies and Banks*

Following the enactment of legislation to authorize the Reconstruction Finance Corporation to purchase the preferred stock of banks, the President, on June 10, 1933, authorized that same Corporation to use \$50,000,000 to purchase the preferred stock of insurance companies, many of the large companies having failed with great loss to the public. This act also authorized loans to State workmen's compensation funds to provide for payments to injured employees.

*Emergency Relief*

On May 12, 1933, the Reconstruction Finance Corporation was authorized to use \$500,000,000 of its funds for emergency relief, which has been distributed throughout the country and has tided over families which had no other source of income.

*"Kick-back"*

On June 13, 1933, Congress passed a law making it unlawful for any contractor on public works to demand that any employee give back any part of his wages.

*National Employment System*

On June 6, 1933, the President approved an act establishing national employment agencies in cooperation with the States. The administration of this act has done much to relieve unemployment.

The foregoing are the major enactments of the first or special session of the Seventy-third Congress. Most of those enactments were designed as emergency measures to meet the depressed condition in which the country was when the administration took office. That practically all of them have worked out for the benefit of those intended to be helped, no one can deny.

## THE REGULAR SESSION

Under the twentieth or "lame duck" amendment to the Constitution of the United States, which became effective on June 5, 1934, Congress for the first time met on January 3 of this year instead of on the first Monday in December, as heretofore. Hereafter Congress will meet on January 3 of each year following the election in the preceding November of all Representatives and one-third of the Senators. Under the new amendment such Members of Congress will not be prevented from actually participating in legislation until 13 months after their election, as heretofore, and the Members of Congress who were defeated in November will not continue to participate in the National Government until the following March.

*Principal as well as interest guaranteed by the Government on Farm-loan Bonds and Home-loan Bonds*

On January 31, 1934, an act was approved guaranteeing the principal of the farm-loan mortgage bonds, and on April 27, 1934, the principal of home owners' loan bonds were approved. These two acts provided an investment market for these two issues of billions of dollars of Government bonds, which thereby became guaranteed by the Government, both as to principal and interest. These two acts have contributed greatly to the solution of the problem of the farm owner and the home owner with mortgages on their properties.

*Air Mail*

Early in this year such a scandalous situation existed as to the existence of monopolies in contracts to carry the mails by airplanes and fraudulent practices in obtaining these contracts that Postmaster General James A. Farley, after lengthy hearings before a Senate committee, canceled all the air-mail contracts. On March 27, 1934, the President approved a temporary measure authorizing the Postmaster General to make short-term contracts for carrying the mail by air, and on June 12, 1934, an act was passed authorizing the Postmaster General to make 1-year contracts for the same purpose. In this act the air-mail post-

age rates were reduced, and the contracts, when awarded, afforded a saving of millions of dollars to the Government, which had heretofore been illegally given to a few favorite contractors.

*Sugar*

In order to protect the American beet-sugar industry, an act was approved on May 9, 1934, including sugar beets and sugarcane as agricultural commodities under the Agriculture Act and apportioning the domestic production as to the importations. This legislation should do much to encourage this domestic industry which has been in an unfavorable position in competing with foreign sugar producers.

*Cattle*

On May 25, 1934, an act was approved authorizing the Secretary of Agriculture to use \$150,000,000 to destroy diseased cattle, purchase cattle to be distributed for relief purposes, and to improve the cattle industry throughout the country. This legislation has had a very beneficial result not only to the beef-cattle farmers but to the people in distress throughout the country for lack of meat products.

*Bankhead Cotton Bill*

This act approved April 21, 1934, is an attempt to reduce the production of cotton in the country to about 10,000,000 bales a year by compulsory reduction of acreage as compared with the voluntary reduction which has been in existence during the past year and which has not proved universally successful because of the chiseling by some of the producers of cotton. This act provides for a tax on overproduction, which should deter those who are not patriotic enough to join in the general program to aid the farmer.

*The Kerr Tobacco Bill*

There is now pending before the President for his signature a bill which applies the same principle to tobacco that the Bankhead bill applied to cotton, and the Tobacco Act should go a long way to help the 400,000 tobacco farmers of the country.

*Taxation*

The Revenue Act of 1934 approved May 10, 1934, was enacted principally to plug up the loopholes in the existing tax law, which permitted evasion of taxation, remarkable instances of which were brought out during an investigation by a Senate committee. On the average person the act places no additional burden, and it eliminates several nuisance taxes. It increased estate taxes, provided for a limited publicity of income-tax returns, and prohibited consolidated returns by corporations.

*Revaluation of the Dollar*

An act approved January 30, 1934, authorized the President to revalue the gold dollar at from 50 to 60 percent of its then value. This has been done, and the gold dollar is now worth about 60 cents as compared with its previous value. The purpose of this act was to meet the international situation as to money and to help raise commodity prices. As far as our domestic situation is concerned and for all purposes of exchange within our own country the dollar is still worth 100 cents and should give no cause for concern to any of our people. The bill also provides for a stabilization fund of \$2,000,000,000 to be used to maintain the value of the dollar at the price fixed by the Executive.

*Silver*

The very vigorous and widespread demand for the monetization of silver was answered by Congress in passing the Silver Purchase Act, which is now before the President for his signature. This act would compel the Treasury to maintain one-fourth of its reserve against outstanding paper money in silver and authorizes the purchase of silver at fixed prices and in a way so that none of the recent speculators in silver can profit.

*Bankruptcy Acts*

The distress in which business, large and small, corporations, municipalities, farmers, and other individuals found themselves persuaded Congress to enact legislation enlarging the provisions of the National Bankruptcy Act. On May 24, 1934, an act was approved authorizing municipalities

to go into bankruptcy during a period of 2 years to straighten out the situation as to their indebtedness.

On June 7, 1934, an act was passed permitting corporations to reorganize under more liberal provisions than those provided by the Bankruptcy Act then in force.

There is now pending before the President for his signature the so-called "Frazier-Lemke Bankruptcy Act" pertaining to farmers, which permits them to go into bankruptcy and make an agreement with their creditors or upon failure to be able to do this, the act permits the farmer to remain on his farm for a period of 5 years, upon paying a rental fixed by the court, and gives him first preference to redeem his farm upon paying the appraised value.

#### *Crime bills*

A number of bills were enacted by Congress at the request of the President and the Attorney General, many of which have been to date approved by the President, designed to meet racketeering and kidnaping and crime conditions in more than one State or between the States, where the States themselves with their limited authority were helpless adequately to pursue or prosecute the offenders. The desperate career of Dillinger and other outlaws gave rise to the necessity for these measures.

#### *Stock-Exchange Control Act*

After a score or more of years of demand of our people for some control over the stock exchanges of our country, the President approved on June 6, 1934, the National Securities Exchange Act, a bill to regulate the stock exchanges so that the investing public might not again be defrauded of the billions which it has lost in the last few years. This is one of the most far-reaching pieces of legislation enacted at this session, and should go a long way to cure the many evils of the stock exchanges and at the same time should work to their benefit.

#### *The Communications Act*

The President has before him now for signature an act to regulate telegraph, telephone, cable, and radio. The regulation of these methods of communication was intrusted to several commissions. This bill also contains provisions as to broadcasting which should prevent the discrimination which has existed in some instances between the various broadcasting stations.

#### *Tariff*

While no general tariff legislation was even considered at this session of Congress, it was thought necessary, in view of the loss of our many billions of dollars in foreign trade, to authorize the President to enter into trade agreements with foreign nations so that our foreign trade might be restored, and business and employment thereby increased. This act was approved June 12, 1934, and should go a long way to better our foreign-trade relations with the other nations of the world.

#### *Deposit insurance law*

The President has before him for his signature an act increasing the amount to \$5,000 that deposits in banks may be insured, as compared with the limit of \$2,500 contained in the act of 1933. This bill should help further to restore the confidence of our people in their banks.

#### *Direct loans to industry*

One of the weaknesses of the proper functioning of the Reconstruction Finance Corporation, with billions to lend for the benefit of business and industry, has been that it was not authorized, under the law, to loan directly to any business or industry, but could loan only through a bank, a mortgage company, or an insurance company. There has been a demand for over a year that this law be amended so that the business man, who has been denied relief through his bank or mortgage company, might obtain needed working capital and thus employ more men. The bill to accomplish this is now before the President and should be of great benefit to business and industry throughout the country and increase employment.

#### *The National Housing Act*

This was one of the most important measures passed during the 73rd Congress and is before the President now

for his signature. Its purpose is to supplement the Home Owners' Loan Act and to induce institutions and people with money to lend it for the repair of homes and on mortgages. The act provides for the Government insuring such loans up to 80 percent, and increases the amount allocated to the Home Owners' Loan Corporation by \$1,000,000,000. The act also provides for aid to building-and-loan associations by the Government purchasing their shares and certificates. One of the big features of the act is the establishment of National Mortgage Associations which will purchase mortgages insured by the Government and thus relieve the situation in the several States in reference to failure of mortgage and title companies.

#### *Philippine Islands*

On March 24, 1934, an act was approved finally providing for the complete independence of the Philippines within 10 years, with provisions to protect those islands from foreign interference and providing for limited importations of their products free from duty until the expiration of the 10-year period. This was a fulfillment of the pledges in the Democratic Party platforms for over 30 years—to grant independence to the Philippines and to stand against imperialism.

#### *Labor disputes bill*

The President has before him for signature, and will undoubtedly sign, the Joint Resolution passed in the closing hours of the session, permitting him to set up boards to settle labor disputes and to enforce their regulations. Although this measure may not contain all the teeth which organized labor desired and which was included in a bill pending before Congress for some time, the resolution should go a long way toward preventing and adjusting labor disputes until Congress can enact more thorough legislation. The bill protects the right of labor to strike in justification of its grievances.

#### *Railroad Pension Act*

This bill was passed in the closing session of Congress and readjusts the pensions of railroad employees, making more equitable provisions for the retirement of the 1,100,000 railroad workers.

#### *Railroad Labor Act*

This bill, which was likewise passed in the closing days of Congress, amends the existing Railroad Labor Act to take care of many situations which have arisen since that act became a law in 1926. It provides for boards to adjust disputes between the railroads and their employees and prohibits the railroads from interfering with or organizing unions or forcing employees to join or not to join any company union or any one of the 21 standard railroad-labor organizations. The "yellow-dog" contract is prohibited, and the employee is left to determine what, if any, organization he will join.

#### *New ships for the Navy*

The act approved March 27, 1934, authorized the President to order the construction of plane carriers, destroyers, and submarines, so that our Navy might maintain its parity with the other nations under the naval treaties. Acts were also passed May 29, 1934, improving the condition of the Marine Corps personnel and regulating promotion in the Navy.

#### *Johnson Debt Default Act*

This act prohibits the sale in this country of securities originating within those nations which are still in default to us on their war debts.

#### *Treaties*

The Senate ratified several treaties with other nations. On May 24, 1934, the treaty adopted at the Pan American Conference at Montevideo, providing that there should be no restriction based on sex or nationality, was ratified. On May 31, 1934, the Senate abrogated the existing treaty with Cuba of May 22, 1923, including the Platt amendment, and provided for more amicable relations with that Republic. On June 15, 1934, the Senate approved the treaty made at Geneva in reference to the international shipment of arms and ammunition, the treaty signed at Rio de Janeiro providing for settlement of disputes and controversies with-

out war, if possible, and the treaty signed at Montevideo pertaining to the freedom of states in their own affairs.

*Equal rights for women*

On May 24, 1934, an act was approved giving to children born abroad of an American woman the same rights to citizenship as to children born abroad to an American man.

*Crop Loan Act*

An act was approved April 7, 1934, amending the Agricultural Adjustment Act so as to include additional basic commodities—beef, dairy cattle, peanuts, rye, barley, flax, and sorghum—within the benefits of that act and appropriated \$200,000,000 to finance surplus reduction, that amount to be replaced by processing taxes. This act also appropriated \$50,000,000 to reimburse farmers for tubercular cattle destroyed by the Government.

*Permanent Appropriations Act*

The President has before him for his signature an act which provides that practically all appropriations shall be subject annually to the approval of the Bureau of the Budget and Congress, rather than continue as permanent appropriations. This act should materially reduce the cost of Government.

*Independent Offices Appropriation Act*

On March 28, 1934, this act was passed over the President's veto. It restored the pay of Government employees by 5 percent as of February 1, 1934, and an additional 5 percent on July 1, 1934, and authorized the President to restore the remaining 5 percent when he determined the cost of living justified it. This act also increased the benefits to be paid to veterans of the World War and the Spanish-American War by about \$200,000,000 and corrected many instances of inequality and injustices which had developed in the administration of the Economy Act of 1933.

*Civil Works Administration*

On February 15, 1934, an act was approved appropriating \$950,000,000 for the continuance of the civil-works program and direct relief.

*Reconstruction Finance Corporation*

By an act approved June 20, 1934, the Reconstruction Finance Corporation was authorized to borrow an additional \$850,000,000, to be used for loans, and by an act approved March 26, 1934, the Corporation was authorized to foster export trading.

*Aid to vocational education*

By an act approved May 21, 1934, \$3,000,000 was appropriated to aid vocational education both in the agricultural and urban sections of the country.

*Wild-life conservation*

On March 10, 1934, two bills were approved to protect wild life throughout the country and provide for fish and game sanctuaries.

*Investigations*

During the recess of Congress committees of the House of Representatives will investigate the following matters, among others:

Taxation, including evasions, new sources of revenue, and a more equitable distribution of taxes.

Foreign propaganda directed against the safety of our Government from Nazi, Communistic, or other sources.

Real-estate bondholders reorganization committees and their dealings with the investments of millions of our citizens.

Oil, its production, prices, surpluses, and means of control. Election expenses in the coming congressional campaign.

Tin, its source of supply and its control abroad as affecting our industries and national defense.

Receivership practices in Federal courts.

The foregoing is a mere summary of what the writer considers the most important legislative measures passed in the Seventy-third Congress. Other Members of Congress and persons outside may well consider other measures of equal or greater importance or may regret that the Congress did not enact, or the President approve, other proposals to aid the farmer, or the home owner, or the Indians, or business,

or the railroads, or labor, or the oil or mining industries, and so forth.

Just before Congress adjourned the President sent to Congress one of the greatest messages ever sent by any country's Chief Executive, in which he set forth a definite plan he has in mind to take up in the next Congress, a program of legislation especially of a social character, such as old-age pensions, unemployment insurance, shorter hours of labor, and similar proposals, which were not thoroughly enough prepared or capable of being considered during the Seventy-third Congress. That the President's heart is behind such social legislation has been apparent in his entire public service.

There are, of course, some of our citizens who complain of some of the laws we passed or of the method of administration of some of those measures. That is but natural. No law could possibly satisfy every individual in this country. One can imagine that Dillinger does not endorse the crime bills. Laws are passed to provide the greatest good for the greatest number, and in the process it is almost inevitable that someone be hurt.

The Seventy-third Congress, however, set a record for passing laws to help the vast majority of our citizens in every section of the Nation. The worker, the farmer, the home owner, the consumer, the producer, the business man, the investor, and other large groups were always in the minds of the Nation's legislators.

It is estimated that as a result of the acts of the present Democratic administration since it took office on March 4, 1933, 4,000,000 workers have been given employment. This recovery in employment may not be apparent in every city or town or in every trade, but taking the Nation as a whole the results cannot be denied. The prices paid to the farmers for their products have risen, bank failures are practically negligible, and business has generally improved, as all statistics or indexes will show. In the Hoover administration "prosperity" was always "just around the corner", but when you turned the corner it was always around the next corner, so that instead of ever catching up with it we were plunged into 4 years of the greatest distress and misery this Nation or any other nation has ever experienced.

It can at least be said of the present Democratic administration, under the leadership of President Roosevelt, that while the unnatural and unhealthy prosperity of 1928 may not be just around the corner, we have got several jumps ahead of Old Man Depression. We are around the corner ahead of him, and he will not catch us again.

Of course, it has cost the Federal Government many billions of dollars to get us so far out of the depression. It is also true that never before in peace time have such huge sums been expended by a government. We call it peace time, but we have been waging a war. It is a war against the ravages of social and economic enemies, the casualties in which have been greater than those of any war of guns. To date we have the enemy well on the run.

Our Commander in Chief has the confidence of every man, woman, and child in our army of 130,000,000 recruits. Naturally a war like that costs money, and the present and the future taxpayer must meet the cost. Congress and the Executive are always aware of this and careful to make the burden as light as possible. But the taxpayer should always remember that he does not pull out of the air or pick off trees the money with which he pays his taxes. That money comes from the humblest and the poorest people in our country. If those people are left in a destitute condition, the taxpayer has no income or profits with which to pay his taxes, and such a condition unremedied would reduce Mr. Taxpayer to the same low station as the helpless ones in our land. In the last analysis, every cent expended by our Government comes out of and from every single human being in our population.

During the coming campaign much may be said by the Republican Party concerning the huge expenditures by the Government. While those expenditures are huge, they are about \$3,000,000,000 less than the President estimated at the beginning of the year would be necessary. Our National Budget has been balanced as to ordinary and current ex-

penditures, a condition that did not exist for 5 years under Republican administration. It is our extraordinary and long-term expenditures for relief that have added to our national debt, which is still less than during the World War. A national debt of twenty-five or thirty billions of dollars, as compared to the value of the vast resources and wealth of our country, should not cause any untold alarm even among our business men or bankers. The average individual is in debt to a greater proportion.

This great stride toward recovery has been accomplished under Democratic leadership in both branches of the Congress. Much that has been said or will be said during the coming campaign about the Republican minority cooperation is not the fact. Whenever the Republicans did cooperate they did so reluctantly and with their fingers crossed, hoping the worst would happen to our best intentions. There was political sniping and filibustering against the proposals of the administration. Heads of departments, appointed by the President, were constantly attacked, ridiculed, and even their patriotism questioned by the Republican minority. That is the kind of cooperation the administration received from the Republican Party. Luckily, the Democratic majorities in the House and Senate were so overwhelming that the administration measures could be enacted in spite of any Republican opposition. The American people should maintain those Democratic majorities by their votes in the coming congressional election if they want the program of recovery, so well on its way, continued under the unparalleled leadership of our President.

#### AS I VIEW IT—THE WORK OF THE SEVENTY-THIRD CONGRESS

Mr. PIERCE. Mr. Speaker, it is fitting and proper that at the close of a session, each Congressman is given the opportunity to extend his remarks and print the same in the CONGRESSIONAL RECORD. It is an opportunity accepted by those supporting the administration as well as those in opposition. It gives the citizens a chance to read and consider presentations summarizing, from various viewpoints, the most interesting economic, social, and political legislation of the Congress. I accept the opportunity and cherish the hope that the views of a farmer-Congressman of eastern Oregon will add, in some slight degree, to the fund of information furnished, and more especially do I hope that this review will prove helpful to those of my constituents who have closely followed the activities of this Congress during its two sessions, the special session of March to June 1933 and the regular session of January to June 1934.

#### CONDITIONS FACED BY THE ADMINISTRATION

March 4, 1933, marked an epoch in our history, possibly in world history. "I warrant, an I should live a thousand years, I never should forget it." Every bank in the United States closed; practically every industry facing financial ruin; most farmers financially wrecked and hopeless; wheat 25 cents a bushel, corn 10 cents, cotton 6 cents; gold going into hiding by the millions. The greatest economic machine that the ingenuity of man had ever developed was on the point of complete breakdown. The situation might well be compared to a battlefield where every division had suffered defeat, and panic had seized both officers and men, when, late in the afternoon, a man came onto that field of confusion and took command. His first orders were to close officially all banks, many of which had previously been closed by the States; to conserve his ammunition, the gold, by refusing to allow it to leave the country; to call a council of war of his advisers, the Congress, to assemble in special session at the earliest possible date.

#### FIRST STEPS TOWARD RECOVERY AND CHANGE

I remember very clearly how I watched the first bill I had ever seen pass Congress. There were no copies, it had not been printed, there was no roll call. It was the banking bill, giving the bankers powers for which they had clamored for a century, the passage of which could be excused only on the ground of emergency. Then came the economy bill, cutting too deeply, too hastily drawn, and later, wisely amended. Order was restored in the economic world and it began again to function.

The most notable acts of this special session, which was called for emergency legislation, may be briefly summarized: The Banking Act; Agricultural Adjustment Act; Farm Mortgage Act; Home Loan Act; National Recovery Act (public works and industrial recovery); Securities Act; insurance of bank deposits; creation of the Tennessee Valley Authority as a great experimental power project; appropriation of large sums for the relief of the unemployed and the definite acceptance of the responsibility for their welfare. All these acts were the outcome of the recognition of abuses which had caused the crash, or of realization of the immediate necessity of saving farms, homes, the business structure, and the credit system.

I have, in committee and on the floor of the House, gone along with the administration, not as a blind follower but voting with the President to uphold his hands in the hour of distress, even when I would have personally chosen a different course. I sometimes yielded my personal convictions for what I considered to be a unified effort for the public good, demanding the support of all who understood the emergency. Only twice did I depart from this policy—once to redeem a pledge best redeemed now for economic recovery, and once to make amends for wrongs wrought through the emergency enactment of the Economy Act.

As a member of the exclusive Agricultural Committee, I sat at the table when the domestic allotment plan of farm relief was decided upon, and helped in framing the Agricultural Adjustment Act, the Farm Mortgage Act, and all those other measures which have so beneficially affected the farmer. Many times my farmer instinct rebelled against the method chosen, and I presented, as forcefully as possible, the farm point of view, often being overridden and yielding in order to accomplish all possible, sometimes winning important points from a practical standpoint. Citizens should never forget that, under our form of government, all legislation is a matter of compromise. Very few acts go through as first drawn, and very seldom does a Member get just what he wants. All have to give and take.

In general, success has crowned the recovery efforts of the administration, and we have a semblance of prosperity in most business and occupations, with real prosperity in many places, giving hope and courage to all. Wheat and corn are worth, to the farmer, almost three times what they were in March 1933. No one claims that miracles have been wrought, but, at least, order and hope have been restored and a way has been determined upon.

#### THE NEW POINT OF VIEW

All are beginning to realize that this is not a "depression" but, indeed, a new era, comparable in a way to the time, four centuries ago, when the people of western Europe commenced to sail the seas. They discovered that the oceans were highways instead of barriers, and the entire world outlook was changed—economic, business, social, and religious. We are living in one of the most interesting periods of history when an outworn system is being subjected to essential and wholesome change and renovation in the interests of justice and humanity. We should not lose sight of the fact that, practically up to the birth of our country, it was a hungry world, illy clad and housed, with few machines to aid human hands and multiply their power. Each farm home was practically self-sustaining, raising its own wool, spinning its own cloth, curing its own meat, living independently of the business world, and conducting the world's industries inside the homes. Ours developed as a farm civilization, with 90 percent of our people engaged in agriculture when our institutions of government were being discussed and formulated. In a hundred years all this has changed, and we are today highly industrialized, with each individual and each group dependent on the others. As long as we had new, open, raw land, we could find place and hope for the land-hungry of our growing population. We enjoyed the world's markets for our excess production of farm and factory. It is all different now. The 15 millions of unemployed who were seeking jobs in March 1933 were largely the result of the substitution of the machine for human hands. Ancient civilizations were built on

human slavery—ours is built on machines. The transition period was the time of our great growth and development, when we were moving toward the culmination of our economic catastrophe, freely predicted by close students of the system which was never planned for justice and human welfare but came about from our great natural wealth and its ruthless exploitation. We cannot abandon the machines and return to primitive society, neither must we allow the wheels to wreck us because we do not control them and distribute their products with some degree of equity.

#### ACHIEVEMENTS WORTH NOTING AND THE GOAL

One of the finest achievements of this administration has been the C.C.C. camps. Each year these camps have taken out of the ranks of the unemployed more than a quarter of a million young men and given them a new view of life, the happy frame of mind of the man with a job, the certainty of food, clothing, work, and wages the larger part of which are earmarked for otherwise destitute ones at home in the crowded cities where jobs cannot be had. It has cost about \$1,000 for each boy enrolled, but it has been worth the money. Fully 1,000,000 people have been beneficially affected each year by this effort.

Never before has there been in Washington an administration sufficiently courageous and far-seeing to begin the development of the greatest hydro-electric-power river of America—the Columbia. The hundred millions of dollars earmarked for the development of the power resources of this mighty stream have made possible a project the story of which will ring through history and will mark the President as one of the great forward-looking men of the world.

Whatever may finally become of the N.R.A. is of small moment compared to its service in the education afforded the business men of our country. Our industrial and business system, which was never before consciously organized, unified, and harmonized, has been set forth as it is and in many respects, modeled into the thing it should be. Lessons have been learned that can never be forgotten. Child labor has been shown up as the ugly and senseless and cruel thing it has always been, and we have learned the way to deal with it and eliminate it.

Never has there been in such high and powerful position an Executive more considerate of the rights of those who have only the labor of their hands to contribute to the common welfare. The Congress has to its credit the two acts affecting railway labor and standing as examples of what must come for all industry—the Railway Pension Act and the amendments to the Railway Labor Act, both of which had my ardent support. The social legislation which is being formulated for early attention next session as part of the administrative program definitely provides for old-age pensions and unemployment insurance, without which our system cannot function with justice and happiness. I have, in Oregon, long advocated both these measures, and shall, in Congress, give them my strongest support. It is also the program to perfect and work out, on a satisfactory basis, the difficult matter of an act on industrial disputes and their arbitration, as begun by the Congress just closed. The 6-hour day and the 30-hour week remain for settlement in a session which will, almost certainly, be devoted largely to labor legislation, money, the lowering of interest rates, taxation and revenue, and the railway acts now being studied by the Coordinator. The next Congress will also seal the fate of most of the emergency legislation including the N.R.A. and the A.A.A.

The problem of the unemployed is still only partially solved, but the Government has accepted the responsibility and will meet it. This most intricate and far-reaching problem will require for its solution the keenest minds, the most unselfish statesmanship, and the highest degree of true patriotism. Work and decent wages for the unemployed will do more to solve the farm problem than all the allotment plans and production-control programs ever dreamed of.

In the realm of business, and for the interests of the average man, we have in the last session passed a series of protective and regulatory acts without precedent in our

legislative history—the Stock Exchange Act, the revision of the Securities Act, the Industrial Loan Act which makes capital available for small industries and for business, the Housing Act, supplementing the Home Loan Act of the special session and intended to help the home owner and stimulate industrial activity. Undoubtedly there have been many mistakes made by the Home Owners' Loan Corporation, but can you imagine the condition of the country without it? The intention of Congress and the administration was to relieve distressed home owners, but those entrusted with the operation of the system have frequently been guilty of maladministration and inefficiency and have sometimes betrayed the trust. I have been making investigation of every case of injustice and delay brought to my attention and shall join with those who seek to improve the system so it will be really beneficial, and to punish all officials, high or low, who have been negligent or guilty of wrongdoing.

I would summarize the outstanding acts of the regular session of the Seventy-third Congress, just concluded, as follows: The Gold Reserve Act, the Silver Purchase Act, the Reciprocal Tariff Act, the Stock Exchange Act, revision of the Securities Act, Industrial Loan Act, Housing Act, Labor Disputes Act, Railway Pension Act, Cotton Control Act, Sugar Control Act—Taylor Grazing Act, from a western standpoint, must be added.

#### MONEY AND CREDIT

The President had the courage and decisiveness to abandon the gold standard and advance the price of gold, devaluing the dollar for the purpose of raising commodity prices. Gold was ordered out of hiding and taken over by the Government. I do not believe the time has yet arrived when we can abandon gold and silver as basic money. The gold ounce is still the world's yardstick for measuring value and paying balances between nations. It will probably so remain for generations to come. I think the sensible thing to do is to recognize silver as basic money and freely to coin it at our mints, as it was coined for almost a century of our national life. Of course, it would cheapen money and raise the value of commodities. That is what must be done if even a reasonable portion of the debts are ever to be paid—individual, municipal, national. It is believed by many that the silver act passed by the Seventy-third Congress will be a stepping stone to a still wider use of this valuable metal as a part of our metallic money base. Those who believe in the importance of higher commodity prices are hopeful that the inclusion in our money base of silver to the amount of 25 percent, as now provided by law, will prove most helpful in advancing general prosperity. Had the advice of Bryan been followed in 1913, when the Reserve Bank was established, guaranty of all deposits in national banks would have been included, and we would not have had such bank disaster as that which wrought havoc. Deposits in banks are today guaranteed by this Government through an insurance method and we have no bank failures. Confidence in the solvency of the banks has been restored. I have publicly and constantly advocated this system of bank-deposit guaranty since 1908, and am happy to have had a hand in making it possible under the law. I supported the act increasing the amount of guaranty from \$2,500 to \$5,000.

The money question will be again before the Congress. I shall stand for the opening of mints for the free and unrestricted coinage of silver at a ratio of not greater than 16 to 1. For convenience, the silver should be stored in bars and currency issued against it. I do not wish to see this Government issue irredeemable paper currency. All admit that a currency with a 40-percent metal base would be safe. I believe the Government should cease issuing bonds and issue currency up to the full 2½ times the metal on hand. It would increase commodity prices and stop burdensome accumulation of interest which now adds so much to governmental operating cost. My speech of May 17, 1934, in the Record and reprinted at my expense discusses this matter fully.

The amendment to the act creating the Reconstruction Finance Corporation extending loans to industries will be

most beneficial, as it is almost impossible, now, to secure credit for the operation of small industries and business concerns.

#### TAXATION AND REVENUE

The Seventy-third Congress has not only made history, but it has enacted more far-reaching legislation than any other Congress ever assembled. The keynote for every act has been the hope of benefit to the common man. It is no time to announce that the battle has been won. The fact is that entrenched privilege has retreated in only a few places and is ready to renew the battle for special privileges for the favored few, indeed, there is ample evidence that the battle is now raging in the contest for seats in the next Congress, and money is being freely spent to restore the old order to power.

The Seventy-fourth Congress will assemble next January confronted with a startling deficit. For every dollar of current revenue there is now an expenditure of \$2.50. The Budget must be balanced and we must not place on the shoulders of future generations a burden they cannot bear, as the future will bring its own pressing needs. The fight that looms before the country next winter is the struggle over the manner of raising this revenue. Shall it be by a sales tax on necessities, raising billions from those who have least with which to pay, or, shall the money come largely from those who enjoy great fortunes gained by special privilege, and from great inheritances? Among those who think about public questions we hear much talk about the manner of redistribution of wealth. We will hear more about this in the future. For my views on this, and on the best method of raising the necessary revenue, I refer those interested to my speech in Congress on February 20, 1934, printed in the CONGRESSIONAL RECORD and reprinted, at my own expense, in leaflet form for free distribution to all who wish it.

Should my commission be renewed, to represent in Congress the Second District of Oregon, I shall continue my efforts to balance the Budget as outlined in that speech. I shall not participate in the crime of urging any sales tax, alike in principle whether State or national, and an infamous attempt to secure tax evasion for the rich by piling the burden on those who struggle for existence. I look toward a reorganization of our economic system which will give to all citizens some share of wealth which will enable them to participate in the privilege of helping to bear a just share of the costs of Government. I shall work with those who are fighting to eliminate tax-exempt bonds of State and Nation.

#### FARM FINANCE

During the closing hours of the last session, a law was passed giving farmers a virtual moratorium of 6 years on farm foreclosures, through amendment to the farm bankruptcy bill. This will give more help to hard-pressed farmers than any other act of the session, and will practically eliminate deficiency judgments. During the days of the great Woodrow Wilson this Government stepped in between the farm debtor and his creditor, commencing to lend on farm lands and property at greatly reduced interest. Conditions in the banking world have made it necessary for our Government greatly to extend its lending activities, as other sources of credit for business and farming have failed to function. Our farm loan system is crude, slow, and inadequate, but what would have become of us without it? I have long advocated a Government lending agency in each county, making every form of loan on land, crop, and chattel. I have strongly opposed the taking of 5 percent from every loan to be used as a guarantee fund to help secure the debts of borrowing neighbors. Most of this 5 percent will be lost, making expenses and interest unbearably high, and putting the burden of losses on those least able to bear it. I supported, in committee hearings, this past session, before those controlling the activities of the Farm Credit Administration, the Carpenter resolution calling for thorough congressional investigation of the operation of that system with its confusion, delays, and apparent injustices in appraisals and otherwise. We have made only a beginning in farm credit. We cannot tolerate the continuance of the slow and blundering operations and the high interest charges now imposed.

One of the most constantly discussed bills before the last Congress was the Frazier farm mortgage bill fixing interest at 1½ percent annually, with a like amount to apply each year on the principal. It provides that, if bonds cannot be sold to provide money at this rate, currency is to be issued by the Government, to be legal tender and to be paid the farmer who gives the mortgage. This currency is secured by the land and is to be paid off and retired at the rate of 1½ percent each year. I think the bill should pass in an amended form, and I was one who signed the petition to compel discussion before the House in an effort toward passage. Farm relief can never be an actuality until there is legislation bringing interest on money within reasonable limitation. I shall ever work aggressively toward this end. I also desire to place the control and administration of the system in the hands of farmers and those in sympathy with the farm outlook.

#### MORE ACTS OF INTEREST TO FARMERS

The Stock Exchange Act and the amendments to the grain futures bill, defeated in the Senate, were bold attempts to control these gambling activities so as to retain the good many believe they do by affording a ready market for stocks and a price for all grain. I belong to the school of thought that believes we do not need these institutions for so-called "hedging." If it were within my power, I would so control their activities that the farmer would not lose most of the benefits that should be his by reason of short crops. I am sure that both the act passed and the bill defeated would be found valuable in greatly curtailing the activities of parasites on industry and agriculture.

The passage of the Taylor bill followed a 10-year effort to control the public domain of 173,000,000 acres which still belong to the United States. This valuable grass area is now nearly ruined by uncontrolled over-grazing. Under this new law, which I helped pass and for which I spoke on the floor, districts will be formed, a small fee collected, and the range parcelled out so as to protect prior rights. It will prevent making a desert out of this vast area, larger than Oregon.

I very much doubted the ultimate value of the cotton, sugar, and tobacco control acts. The cotton and tobacco acts seek to control by heavily taxing production beyond the allotment fixed by the Secretary of Agriculture. I very reluctantly voted for these measures, but, as they were desired by the representatives of the districts affected by them, I went along, giving them the right to try out a system of controlled production. I fear the result of this experiment so far from our traditions.

The list of basic commodities on which processing taxes may be imposed for the payment of curtailment bounties was increased by six items, including cattle, and thus extending some relief to this hard-pressed industry.

Congress sought also to help solve the problem of the farm surplus by selling more abroad, and, for this purpose, enacted the Reciprocal Tariff Act giving the President bargaining powers to facilitate the negotiation of agreements which will develop foreign markets for our goods. I believe he will use this power to help the farmer.

I have, in three speeches in Congress, gone carefully into the questions here briefly mentioned, and will send to any inquirer any one or all those discussions reprinted at my expense—Financing farm mortgages, Crop-production loans, and Presidential power to make trade agreements.

#### HELP FOR FARMERS NOT LIMITED TO ENACTMENT OF LAWS

The work of a Representative is not altogether concerned with measures of national importance on the floor of the House or in committee. An active man participates in the passage of important legislation and he fights for those measures helpful to his State and district. Much of his time is spent in consultation with officials in the administrative departments of Government securing more favorable rulings, explaining local situations, and intervening on behalf of his constituents who have now so many points of contact with the Government. Acquaintance with those in the departments and intimate knowledge of the affairs of

the State and district have enabled me to help in matters of appropriations and rulings which have meant much to the farmers of my district. I appeared before the Budget officials and in committee for various appropriations including the Hermiston Experiment Station, extension service and educational bills, and most important to eastern Oregon, the appropriation for control and destruction of predatory animals. I helped to organize western Congressmen for this fight and was one of the final committee of three Representatives which secured approval of the Budget Commission of this important appropriation.

To my astonishment, I discovered an order of the Grain Grading Board had been made lowering by a third the toleration of smut in wheat. This would have cost the farmers of the Northwest thousands of dollars. After a hard and bitter fight, and organization through my efforts of representatives of all wheat districts affected by this ruling, it was rescinded and the toleration restored practically to its former figure.

The processing tax on jute was a matter of much concern as it increased the prices of jute bags used by farmers. It took the united efforts of many men from the Northwest in Senate and House and months of argument and discussion to bring about the remission of this tax, and an act of Congress to make it apply to the floor stocks on hand for this year. I was very active in this fight.

It also took months of effort, aided by some of the excellent weekly papers of my district, to secure an order making possible the use of local, State-inspected meat in the C.C.C. camps and the outlawing of the Argentine canned meats. This will mean much to Oregon this year.

Farmers were also benefited by my fight on the floor for the passage of the bill which makes it possible to have a joint truck and water rate on the Snake and Columbia Rivers, putting these rivers in the same class as the Mississippi as to transportation privileges. The CONGRESSIONAL RECORD has recorded this and my other efforts for our people.

Applications for money for public works are carefully looked after by the Congressmen who present arguments, secure information, and explain the need for important projects such as waterworks, sewers, and public buildings. This is a time when most communities and many people have some sort of relations with government and the right sort of Representative can be most helpful in Washington.

I was fortunate in securing the friendly cooperation of my colleagues in the House, so I had a successful experience in passing my bills relating to forests, irrigation, The Dalles bridge, and some very just and long-deferred claims.

I have been constant in attendance at all sessions of the House and at meetings of the very important Committee on Agriculture of which I am fortunate to be a member. I have participated in discussion in the House and have made five prepared speeches devoted to discussion of problems of agriculture, money, and taxation. Following the custom of Congress, I have had these speeches reprinted at my expense for distribution among those whom I represent. I have appreciated the opportunity for service and have voted in the public interests.

If my record of public service meets with the approval of my constituents, as I hope it will, I shall return to Washington next January with renewed courage and energy to fight for those things which are essential to our welfare. I shall continue to stress the importance of farm prosperity as essential to recovery in business and industry.

#### GOVERNMENT COMPETITION WITH PRIVATE INDUSTRY—THE CONDITION AND THE REMEDY

Mr. RICH. Mr. Speaker, I wish to review some phases of the work regarding Government competition with private industry. It is greatly to be regretted that the Seventy-third Congress adjourned without undertaking to remedy the conditions of unfair competition of Government establishments with private enterprise and to establish an accurate and practical method of determining the comparative cost of public and private operation in the same field. This is the more deplorable because the Congress had received from a committee of its own appointment the evidence of the nature

and extent and the injurious effects of Government competition with private business, and has voted billions of dollars for an infinite variety of Government operations without establishing a definite and uniform method of determining the costs of these vast undertakings. The need for this no one denies. It is delayed or prevented only by those who, while loudly asserting that government can perform many functions more cheaply than private enterprise, obstruct every effort to set up the means of making an accurate comparison. It is not only the right but the duty of Congress to control with scrupulous care the detail of appropriation, for upon it devolves the perilous obligation of taking from the American people, through taxation, the unparalleled sums essential to support the stupendous program of public expenditure and either balance the Budget or impair the national credit.

We have no source from which to obtain public revenue save the pockets of our people. We have no way to secure income save through our own effort. What, then, shall be the condition if the Government, created solely for political purposes, enters the economic field and not only competes unfairly with the citizen, whose servant it is and from whose income it is supported, but also makes the very burden which the Government imposes upon it a handicap by which to take from him the opportunity to provide the needs of his Government at fair prices and undertakes to supply those needs out of its own establishments by keeping no record of their extravagant cost?

I desire as briefly as I may to recall to my colleagues the investigation of Government competition with private business, the findings made, the remedies proposed, the circumstances which led to the neglect of opportunity to apply them and the imperious need to remedy this condition.

Pursuant to House Resolution No. 235 adopted by the Seventy-second Congress, first session, there was appointed by the Speaker, on May 31, 1932, a special committee—

For the purpose of investigating Government competition with private industry and all other questions in relation thereto that would aid the Congress in any necessary remedial legislation.

The work of the committee attracted national attention. It extended over a period of 8 months. Public hearings were held in Washington, Kansas City, St. Louis, Lawton, South Bend, Memphis New Orleans, New York, and Chicago. Some 625 witnesses, representing over 225 forms of competitive business activity, were heard, resulting in a record of 37 typewritten volumes of testimony and 6 additional volumes of exhibits and formal statements.

The committee consisted of Hon. JOSEPH B. SHANNON, chairman, Hon. E. E. COX, Hon. SAMUEL B. PETTENGILL, Hon. WILLIAM H. STAFFORD, and Hon. ROBERT F. RICH.

The committee takes a pardonable pride in the fact that its exhaustive inquiry was executed at an expenditure of \$13,500. It made comprehensive findings and recommendations which are set forth at length in its report and were summarized in an epitomized statement available to the Members of Congress. These investigations disclosed the wide-spread and intensive character of Government activities competing with private business, revealed the injury done to individual initiative, enterprise, and self-support, and indicated the extravagant cost of many of these public operations. It was conclusively shown that under the system of authorizing competitive estimates from Government establishments in competition with the bonded and responsible bids of private producers, it often occurred that the work given to the Government establishment could not be performed under the estimate but was executed at greater cost than that at which it was offered to be done by the private producer. The work was thus lost to the citizen and executed for the Government to be paid for out of a deficiency appropriation at unnecessary public expense. It became obvious that the work which was being done by public establishments was continually expanding, and every Member of Congress knows that in the name of emergency relief and recovery the field of Government activity in production and service has expanded during the past year beyond all parallel. Yet every Member of Congress knows equally well



that we have no means at hand of determining the cost of these operations, and, outside of those directly aimed at relief, the Government is steadily marching larger armies into the area formerly occupied by private enterprise.

As to what operations ought to be or may properly be undertaken by Government there may be difference of opinion, but surely none of us can disagree with the proposition that it is the business of Congress as trustee of the people's money to know how it is spent and what is the cost of what is done. Most of all, we must surely agree that if the Government uses the citizen's money to injure him by unfair competition or by continuing, under an artificial pretext, to lower cost, to do work or service for itself which the citizen can do better or more cheaply if the actual costs are disclosed, it not only does the citizen grievous injury individually, but it is collectively imposing a greater burden of taxation to support such a condition upon all citizens.

The investigations of our committee disclosed very clearly that by virtue of the manner in which accounts are kept in public establishments, by frequently including in costs only direct charges for material and labor, all the other costs which actually entered into the operations of the Government establishment were ignored. Thus, the Government underbid its citizen by proceeding as though all other elements of cost which were actually present were not there. It went further. If the Government establishment suffered a capital loss, Congress replaced the establishment, and the capital loss never appeared against the future product. Or a single establishment charges many of the elements of its cost to appropriations other than the one under which it directly operates a particular project, and thus escapes those elements of cost carried by another board, bureau, or department. Government establishments carry no insurance, pay no taxes, charge neither obsolescence nor depreciation, to mention a few things. The citizen who competes with them and whose money supports them is made, in competition, the victim of the very conditions which he must meet to support the Government establishment. Thus, the Government establishment constantly, by ignoring the true elements of cost, produces at less than cost by a deceptive and fraudulent system of cost accounting and deprives the citizen of the opportunity to secure a fair share of Government work which would be his under conditions of fair competition. This is a form of competition steadily condemned by the courts, the Federal Trade Commission, and every code of fair competition established under the Recovery Administration, with the approval of the President.

Our investigating committee found this condition widespread and we were not satisfied merely to point to these circumstances. We undertook the practical execution of our conclusions by providing a remedy. After much study and consultation a carefully drafted bill was prepared and introduced (H.R. 6038) in the first session of the Seventy-third Congress.

The purpose of this bill was to establish and maintain an accurate method of cost accounting, procedure, and cost reports for the executive departments of the United States. This was done by requiring all such departments to establish an agency to maintain an accurate system of accounting that would disclose the cost of all factors entering into their operations. The elements of cost were carefully identified and defined in accordance with the best recognized accounting practice in the business world. All Government agencies were required, in making reports and estimates, to include these items, and, if they were not included, to give the reason why. In making estimates as against competitive bids, the Government agencies were required to include allowance for all these defined items of cost, regardless of the appropriation to which they were charged. In this way, the estimates would disclose every item incurred by private bidders for the subject matter of competition. Thus, bidding between public establishments and private bidders was put on a fair and just competitive basis. Furthermore, all Government agencies were required to report to Congress on all work undertaken during the year, which report would show the cost of such work and the relation of costs to esti-

mates submitted. Thus, Congress would know the cost of governmental operation, accurately ascertained. Finally, the Comptroller General of the United States, as the personal agent of Congress, was given the authority to make the provisions of the bill effective and to apply reasonable rules and regulations to that end. Thus, the invaluable assistance of the chief fiscal agent of Congress, whose business it has been since we have had a Government to see that appropriations are expended as provided, was given the authority to enforce the plan established and to aid all Government agencies in conforming to it.

The bill was referred to the Committee on Expenditures in the executive departments. The chairman of the committee sought the opinion of the heads of the executive departments and Government agencies, who very naturally antagonized the effort to place them under stricter supervision in accounting. Their criticisms, however, in many instances, clearly indicated that they understood the bill as little as they liked it. When hearings were finally obtained upon the measure, its terms were clearly explained and vindicated, and it was supported by the most representative commercial and industrial organizations in the United States, the National Association of Manufacturers, the United States Chamber of Commerce, and trade and business organizations throughout the country. The only opposition appeared from the departments whose contact we were undertaking to correct and control.

The testimony of the Comptroller General of the United States is of special importance. He is the independent agent of Congress whose business is to see that its will is obeyed in matters of public expenditure. He completely refuted the declarations of various department heads that the proposal was either unnecessary, impracticable, or would multiply personnel and increase expense. It showed, on the contrary, that it was not only practicable, but, in his opinion, essential, if accurate information with respect to Government costs was to be obtained and the operation of the plan would require few, if any, additional employees. He further asserted that any additional cost, if such cost resulted, which he doubted, would be more than justified by the great benefits resulting.

Our special committee welcomed every helpful suggestion to improve the bill. A number were received, and, in addition, substitutes were offered by the departments themselves, but, on their face, they had the obvious intent of preventing the establishment of the control the bill was intended to effect. The chief purpose of a number of suggested amendments was to confuse the issue and befuddle the committee. This became so clear that our committee felt it necessary to address a communication to the members of the Committee on Expenditures in the Executive Departments, which we did on May 29, 1934.

Here, then, was the condition presented: A committee of the Congress had patiently investigated the whole subject of Government competition with private industry. It had submitted an elaborate and exhaustive report upon the entire subject. It had proposed a bill to remedy the conditions presented. There was every evidence that the House and the committee had the will to legislate. On two occasions the House, on a test vote, had, by overwhelming majorities, insisted that the Government should not establish a single plant which it conceived to be deliberately intended to compete with private enterprise. In the very last days of the session a further attempt was made to secure favorable consideration of the establishment of a single manufacturing plant limited to a particular product for the Post Office Department. Knowing the state of mind of the House, the Committee on Rules, in the face of an emphatic protest, declined to give a rule. There was every evidence that the Committee on Expenditures in the Executive Departments was prepared to report the bill, with perfecting amendments.

Experience with the attempt to place limitations upon appropriations has plainly indicated that it is not a practical method of control and that a variety of opinions are maintained by Members of the House with respect to par-

ticular operations. But few, if any, Members of the House disagree with the proposition that the Government ought not to compete unfairly with its own citizens. Congress is entitled to know the cost of Government operations, and that this cannot be known except through an accurate method of cost accounting in which the elements of cost are defined and the Government agencies are required to observe those elements in accounting and competition.

I regret that the chairman of the Committee on Expenditures in the Executive Departments neglected an opportunity to remove the Government from competition with private industry. Had he called together his committee to permit it to vote upon the bill to give or deny its approval of the proposal before them, after the elaborate testimony to which they had listened, and in the face of the opinion of the Comptroller General of the United States, there can be no doubt that the committee would have voted out a thoughtful and well-considered practical effort to meet this condition. Unhappily, the chairman of the committee gave more heed to the critical antagonism of the department to be regulated than to the Comptroller General of the United States, speaking from his years of experience as the servant of Congress. I have a high regard for the public service of the committee chairman. I deeply regret that he failed to act at a time when he would have rendered a great service to his country and remedied a condition which has resulted in continuing injustice to the great business constituency we in part represent.

The issue presented is not, however, to be downed. It becomes more important than ever, in the light of existing circumstances. Billions of public money are being appropriated for every form of governmental activity. Federal agencies are being established to perform every kind of a business function. To the extent that they unfairly compete with or enter the fields of business activity, they injure private enterprise and impede recovery. Moreover, I say without hesitation that the executive departments are escaping congressional control. The Congress does not know how its appropriations are expended, how the activities of Government compare with similar private operations, or whether their funds are expended economically or extravagantly. It is the traditional duty of the legislative branch to control the purse. It is abandoning that duty when it surrenders the purse strings to executive allocation. There can be no permanent economic recovery until Government quits lending and spending. All governmental expenditures are justifiable only as they stimulate the recovery of private enterprise, but if private enterprise is to be the victim of uncontrolled Government competition, its recovery is obstructed and delayed instead of being stimulated and aided by congressional control of the character of Government action. Every consideration of our traditions, the function of our Government, the circumstances of this depression, the obligations of Congress as the master of appropriation, demand that we shall effectively prevent Government operations becoming the unfair competitors of private enterprise and that we shall establish an effective means of ascertaining for our own information and that of the country, through a uniform and practical system of accounting, the cost of every Government operation.

#### SAVE THE OIL INDUSTRY

Mr. DISNEY. Mr. Speaker, that the petroleum industry of the country may be a danger spot, threatening the collapse of many phases of our national movement toward industrial recovery, has been observed by more than one careful student of our economic life. This industry, the second in importance, should be one of the most helpful agents in bringing back prosperity. It was among the first to lead the way back under the stimulus of the excise taxes imposed in 1933. It then gave promise of increased employment and enlarged purchasing power for millions of people in the oil States. This would have reacted upon the manufacturing States of the Union and have greatly accelerated our recovery from the depression. The adoption of the petroleum code has kept this industry from collapse through oversupply of crude oil, although that code has not been

completely successful due to violations in some flush areas and due also to some doubt in regard to the binding force, if not the constitutionality, of regulations which are issued by the oil administrator under the code.

It was because of this situation that I presented at this session of Congress, by request of administration representatives, the Federal petroleum bill, H.R. 9676. The necessity for this measure had been increasingly recognized by most of those concerned with the industrial welfare of the Nation, as well as those whose principal and direct interest is in the petroleum industry. This measure is only the latest of a series of bills which I have from time to time presented to Congress, partly with the idea of riveting the attention of the Nation at large as well as of the Members of Congress on the need of careful thought to solve these questions, but also with the hope that definite and specific legislation might be adopted in order to meet these vitally important issues.

Even without the general depression in all phases of American business, the oil industry would have experienced a depression of its own. The unique character of its problems is such that it requires a special form of treatment unlike that required for any other form of industry. The production of crude oil, while usually grouped in the same category as mining, is quite unlike mining operations regardless of the viewpoint from which we consider it. The coal, the mineral, or the metal in the mine may be produced or not produced at the will of the owner. If it is not produced, it is safely held underground awaiting the time when production might seem profitable or desirable. It faces only one danger, that of flooding. Even flooded mines, however, may be pumped dry. The deposits in such a mine are not subject to exploitation by any neighboring miner. From the surface to the center of the earth, all the minerals or metals within the boundary of a specific tract of land belong to the owner and cannot be touched by another except through theft.

An oil well is quite different. It must be continuously produced. Suspension of activities and closing of the well may make it impossible ever to produce petroleum from that well. Production at too rapid a rate may damage the well. Furthermore, petroleum is not subject to the superficial boundaries of the surface area owned or leased by the operator. It is found in a pool to which others have access. When wells are drilled in the pool, the one who does not operate his well may find that his neighbors have drained the oil away through their own wells. He has equal rights to the oil in that common source of supply, but his neighbors may rob him of his share without his having any recourse in law such as is open to the operator of the mine who finds his coal or metal appropriated by a competitor. Furthermore, the best storage place for petroleum is underground. Storage above ground is expensive. It is also wasteful. The more volatile elements in the oil will evaporate.

The production of oil in excess of the consuming power of the Nation, plus the amount required for export trade, is unsound economically from the standpoint of the general public. Its only advantage is to wealthy individuals or corporations who may be able to purchase oil for which there is no other market and which is on sale at bargain prices, holding that oil in storage until the price has so far advanced as to give them an unearned but substantial profit.

The American people, both in their private capacities and as a Nation, have a distinct interest in the welfare of the petroleum industry. Aside from the numbers to whom it gives employment, this industry is one of the most profitable sources of public revenue, both State and Federal, which we know. It carries a heavy burden of taxation from the well mouth to the consumer. It has been estimated that it bears 166 separate taxes. If, for no other reason than that the petroleum industry is a hen which lays golden eggs, it should be preserved. The purchasing power of the oil-producing States of the Union is also another reason why this industry

should receive thoughtful consideration by Congress. When the oil industry is fairly stable, the many millions of dollars received by that industry, distributed through pay rolls and through purchases of various materials, is an important element in providing customers for the industrial States of the Union and in providing traffic for the railroads carrying these purchases from the East to the oil-producing States.

Aside from food, clothing, and shelter, petroleum products possibly enter more intimately into the lives of the American people than any other. The consumer has a very real interest in the welfare of this industry. Any policy which, by waste of this natural resource or by permitting its control by a few monopolistically inclined corporations, would very directly affect the millions of consumers of petroleum products. It is therefore important that there should be such type of control as would prevent waste and also prevent the domination of this industry by a few wealthy corporations through the elimination of the less wealthy operators.

I should like to make clear at the very opening that while this measure was introduced at the request of and with the approval of the present administration, and while the present oil administrator, the Secretary of the Interior, is in hearty accord with its provisions, this plan for Federal supervision of the petroleum industry does not represent any desire of a bureaucracy to obtain control of one of the Nation's most vital industries. The Federal administration, as I understand it, is not seeking to place itself in a position of authority where it may direct an industry which vitally concerns most of the inhabitants of over 20 States of the Union and whose products probably enter more directly into the daily lives of the whole people than any other products save those concerned with food and clothing. Instead of the present administration reaching out for power in this matter, the Federal administration is here accepting a responsibility and a duty. Through its approval of this measure, the administration is taking upon itself a thankless task, fraught with most burdensome obligations, involving unremitting, detailed labor. The Federal administration, through approval of this measure, is, in part, fulfilling its pledge to restore employment, renew lost purchasing power, and revive industry.

The petroleum industry of the Nation, with the possible exception of 5 percent of that industry, endorses the idea of a controlled supply of petroleum. That endorsement does not indicate any lack of ability on the part of the industry to solve its own problems. It does mean that the industry recognizes that 3 to 5 percent of the producing branch of that industry, through methods best described as racketeering, can make ineffective all the self-sacrificial restraints accepted by the overwhelming body of that industry. The industry also recognizes that State laws and local regulations cannot be effective in establishing stability in an industry which is national.

The policies set forth in H.R. 9676 are not novel. They are, in substance, those recommended at the March 1933 conference of the oil industry of the Nation, held under the auspices of the Secretary of the Interior, when representatives of the large companies usually called the "majors", representatives of all of the independent petroleum associations of record in the country, and representatives of governors of the oil-producing States came to an agreement that if the industry was to escape complete ruin certain programs must be carried out. Those programs involved control of production within the limits of our demand for consumption in the country and export from it, control of withdrawals from storage, control of imports, and so forth. These vital phases of that accepted program were tested through the administration of the code of fair competition for the petroleum industry. Under that code we have given these policies a reasonable trial. The result has not been perfect. All the ills of the industry have not been cured. "Hot oil" is still being run. Through court procedure and through other obstructive methods those opposed to a constructive policy for the advantage of the whole industry have done all in their power to thwart the purposes of the National Industrial Recovery Act and of the oil code adopted thereunder.

Sufficient success has been realized, however, in the administration of these policies to demonstrate their value and also to evidence the importance of giving to these policies the status and prestige of specific legislation. The courts are likely to accord to an act of Congress and a definite declaration of the policy of Congress a standing which, naturally, would not be given to a regulation or to an Executive order.

Furthermore, regulations and Executive orders may be recalled by the same authority which issued them. An act of Congress can be repealed only by Congress. If there is one thing which the petroleum industry needs more than anything else it is confidence and security. That confidence and security can be developed better when significant policies affecting the whole industry rest upon such an act of Congress rather than upon any code, administrative order, or regulation. This is especially true when the matter concerns imports, since each advance made by the industry may be wiped out completely by a simple order canceling the present limitations upon imports of cheap foreign oil.

The measure before the Seventy-third Congress for consideration, H.R. 9676, begins with a certain finding. Even a most casual study of the statistics of the industry demonstrate the truth of these findings that an excessive supply of crude petroleum and its products has damaged this industry and has also threatened to cause the abandonment of wells of settled production, which are the most important known petroleum reserves possessed by the Nation. This has been admitted for a long time by all, with the exception of a small handful who have believed that their own personal profit lay in unrestrained production regardless of price and regardless, too, of the effect such unrestrained production might have upon the ultimate recovery of this valuable and irreplaceable natural resource.

These wells of settled production produce only by pumping. This is the place to which all wells eventually come unless they become dry and cease producing. Flush fields produce large quantities of petroleum which is brought to the surface by the gas. Operation of these wells requires little labor after the well has been drilled. Stripper wells or wells of settled production, on the contrary, produce comparatively small quantities of oil and require more labor since they must be pumped. These wells, however, are among the most valuable natural resources possessed by the Nation. They constitute an invaluable treasure. If their abandonment should be forced through the overproduction of cheap oil from flush pools, then the entire American people face a serious economic loss. Such a policy would permit us skimming off the cream and throwing away all else. In view of the fact that we cannot be certain that there will be a continuous discovery of new flush fields sufficiently large to supply this Nation's needs for petroleum in the future, we must carefully safeguard the known supplies of petroleum which are reached only by these wells of settled production.

Some of these wells, notably those in the Pennsylvania grade area, produce oil from which the finest lubricants are made, Pennsylvania now supplying nearly 40 percent of the total market for motor oil. While the value of the oil produced in Pennsylvania is very high, the receipts from a single well are very low because of the small amount of oil produced per well, dropping as low as one-eighth of a barrel per day. When the supply of crude petroleum is much in excess of the demand for consumption in this country or for export abroad, the price of that product falls to a level below the general production cost. That means that it falls far below the production cost of wells of settled production. Should that condition long continue, these stripper wells or wells of settled production must inevitably be abandoned.

In spite of all attempts, both official and unofficial, to bring order into the petroleum industry, that industry has been forced to operate on uneconomic lines up to the time when the petroleum code went into effect. Because of the peculiar character of oil and its migratory nature, overproduction was practically forced upon many operators as the

only alternative to surrender of their rights to the oil beneath their properties since their neighbors were draining the common pool. Discussing this question, Edwin G. Nourse and associates in America's Capacity to Produce, a study just issued by the Brookings Institute, say:

Until the adoption of the system of proration for the control of output the annual capacity of American oil wells was, for practical purposes, measured by the annual production. Under existing conditions the owner was powerless to hold back supply. Some qualification of this statement is necessary, but broadly speaking, it will be accepted by most oil men. Production might be lost before a gusher was brought under control or before pipe-line facilities reached a new field. On one occasion a strike of the oil workers shut down a fourth of the California field for a few weeks, but with rare exceptions competitive drilling and the ever-present danger of drainage forced the operator to flow or pump his wells at full capacity. In time a well reached the border line of profit where a fall in price would throw it in the red, but still the owner was reluctant to shut down for fear the well would be spoiled by infiltration of water or clogging of the sand. From 5,000 to 15,000 wells are abandoned or shut down every year, however, and the number increases in years of low prices. Return of high prices may bring thousands of them back into production.

These authors make an important point in regard to the pendulum movement of overproduction followed by low prices then by reduction in drilling, with the cycle beginning again when the consumption had restored equilibrium and profits were once more possible, only to be followed by renewed overproduction, and the vicious circle continued. In the same chapter, they write:

For practical purposes the actual production of the American oil industry may be taken as its capacity down to the year 1927. The fact that oil wells produced at full capacity before 1927 does not mean, however, that the industry was not confronted with a problem of overproduction. The truth is that the industry has experienced repeated periods when production was so far in excess of consumption that the only solution was the building of huge storage facilities and the accumulation of stocks far exceeding, in terms of days' supply, those of any other nonagricultural raw material. This condition resulted in a period of distress, which usually continued until the flush pools causing the glut had been exhausted and the check to drilling resulting from low prices had proceeded far enough to curtail production. Meanwhile the steady growth of consumption helped to restore equilibrium.

Therefore, section 1 of this proposed measure declares, as the policy of Congress, that the commerce in petroleum products is found to be of such a nature that it must be regarded as a unit, irrespective of whether transactions are interstate or intrastate commerce. To regulate this commerce, section 1 declares, restrictions must be placed upon quantities which may move in commerce when excessive supply exists, and that fair and equitable apportionment must be made among the States and among the different operators and sources of supply.

Section 2 gives the necessary authority to the Secretary of the Interior to make investigations and collect data and also to require reports and to make such inspections as his judgment finds necessary to effectuate the purposes of the act.

Section 3 provides for cooperation of the Secretary of the Interior with State executives, officials, and agencies, and authorizes joint hearings to be held with any duly authorized State agencies, the Secretary of the Interior being given specifically certain judicial authority, as is later more clearly set forth in section 10. This is not a pro forma section. Although not stated in so many words, this section is intended to protect and safeguard the rights of the various oil-producing States. In view of the fact that this measure was written and introduced in Congress before the Fifth Judicial Circuit Court of Appeals of the United States handed down its opinion in the Amazon and Panama cases, it is interesting to note that that appeal emphasizes the idea which underlies this proposed section 3, the court stating:

The Central Government was not created to be an opponent and a rival of the State governments, but to be a supplement and a protection to them. Its enumerated powers, although supreme and sometimes exercised to the dissatisfaction of some State, are not misused when, by a happy concord of duty, these governments can cooperate.

Since State laws in some States require certain hearings to be held in order that valid orders regulating production within the State may be made, this authority given the

Secretary to participate in such hearings or in any other hearings relating to the industry is of more than ordinary importance. It gives to his attendance, either in person or by deputy, an official status.

In the same section, the Secretary of the Interior is given authority to cooperate with and to encourage the establishment and continuation of unofficial national, regional, State, and local committees of the petroleum industry. Under the petroleum code the planning and coordination committee has organized committees of the character mentioned, which now include over 7,000 men who are intimately acquainted with every detail of the petroleum industry. Among those committees are many which are solely and directly concerned with production problems. Even without this portion of section 3 authorizing the Secretary of the Interior to cooperate with such committees, he could do so. The direct authorization, however, would give to these committees and to their relation with the Secretary a desirable standing. Through these committees the Secretary will be enabled to obtain the most expert advice and the best-informed opinion available in the Nation. The fact that these committees include every known point of view in the industry and that the membership embraces all classes of operators from the smallest to the largest, makes it important that the Secretary of the Interior should have some authority to encourage the maintenance of these committees, from the planning and coordination committee down, or of any of them which might be able to render such valuable service to him in his difficult task. Paragraph (c) of this section merely authorizes the Secretary to obtain from governmental departments and bureaus such material as they may have available concerning the petroleum industry.

Section 4 of this proposed measure, dealing with imports, is one of the most vital in the entire bill. Upon it depends the success of the remainder of the bill. No system of production control could be either complete or effective unless there is a definite limitation of imports. If the domestic producer is to be restrained from producing more than a comparatively small percentage of his potential, justice and equity demand that the importer of foreign oil should also be subject to positive limitations. The more successful become our efforts to restore the American petroleum industry on a stable basis through limitations of domestic production to the actual demand for consumption and export, the more profitable it becomes to import cheap foreign oil. Each advance in the price of the domestic product would increase the desirability, in the eyes of the importer, of increased importations. The present excise taxes, which have been continued in the new revenue act, are not sufficiently high to keep out foreign oil, when the profit to be realized is so much in excess of the excise tax.

In the past, the American price structure has been rapidly broken down by foreign oil. While it is true that these importations have not been very large in total quantity, the threat of such importations has repeatedly been sufficient to send the price for domestic oil below the actual cost of production. Furthermore, it is a well-known fact that 5 percent of a commodity in commerce is sufficient to break down the price of any product. When we join to the amount of imports that formerly came into this country, the threat of greatly increased imports, the menace to a proper economic price structure is obvious. At present these imports are limited by the same authority which limits American production, and may be rescinded by the same authority which promulgated it. By writing into the statute a positive limitation on the amounts of petroleum and its products which may be imported, and giving to the Secretary power to even further limit importations, the industry will be relieved from that continuous threat which has prevented it from feeling any degree of security in the past.

This section 4 authorizes the Secretary, through quotas if necessary, to limit the importation of petroleum and its products, including natural asphalt, to such quantities as will prevent those imports from supplying an undue proportion of the domestic consumptive and export demand, and thus interfering with current domestic production. This leaves much to the discretion of the Secretary. There is,

however, a restraint upon that discretion. At present, by Executive order, the average daily importation of crude petroleum is limited to the daily average for the last 6 months of 1932. With a few changes in phraseology, this present status of imports is continued definitely until the end of 1935. Up to that time, this section provides:

The Secretary of the Interior shall not permit in any month the importation of crude petroleum or the products thereof in a greater quantity in barrels total than the average monthly rate of crude petroleum and products thereof in barrels total imported in the last 6 months of 1932: *Provided*, That where gasoline (finished or unfinished) is or was imported then in the computation of barrels total a barrel of gasoline shall be deemed the equivalent of two barrels.

Except for making the count in "barrels total" and providing that a barrel of gasoline shall be counted as two barrels in the barrels total, this limitation on imports is that which was agreed upon at the March 1933 conference of the industry, to which reference has already been made. It was accepted at that time by the importers as a fair quota, and was likewise accepted by the independents, many of whom had for a long time been waging a continuous campaign against the unlimited and free importation of foreign oil and its products. The representatives of the governors of the oil-producing States also accepted that limitation as proper. When agreement of these three elements of the industry, representing every important element in the industry, has been reached upon this important import question, I believe we are justified in accepting the standard which is thus fixed and which has prevailed to the present day.

There is in this section a new element introduced. Natural asphalt is specifically included among petroleum products which shall be subject to this limitation. This is made necessary by the growing demand on the part of some importers for larger importations of foreign asphalt. That demand has largely resulted from the enormous appropriations of various States and of the Federal Government for highway construction. A Federal appropriation of \$400,000,000 is now being expended, supplemented by additional appropriations from the various States. By express provision of the Bureau of Public Roads, foreign asphalt may be used in the construction of these highways, although one of the purposes of that appropriation was to encourage the employment of American labor and therefore the use of domestic products was supposed to be encouraged. It has been admitted by the Chief of the Bureau of Public Roads in the Department of Agriculture that there is a sufficient quantity of domestic asphalt available for all the requirements of highway construction. The quality of much of this asphalt is unquestioned. It has been used from the below-zero temperatures of British Columbia to the tropic temperatures of Central America without being adversely affected by rapid or severe weather changes. The limitation placed upon the imports of natural asphalt in this bill, and the corresponding limitation on all petroleum, including asphalt-bearing oils, will give to the importer a share in the domestic market created by the \$400,000,000 appropriation now being expended, and the new \$200,000,000 appropriation recently passed by the House, but will not confer upon the foreign asphalt producer that almost exclusive monopoly of the best part of our domestic asphalt market which he now enjoys. This is an addition to the present import limitations but is a very vital and important one. It should add to employment, it should open a market to domestic asphalt-bearing oils which does not now exist, and it should assist in solving some of the serious refinery problems which have been disturbing another phase of the petroleum industry.

Section 5, which bears the title "Demand and Quotas for Movement in Commerce", gives to the Secretary of the Interior authority to determine the demand for domestic consumption and for export for petroleum and its products. It is of vital importance to the industry that some disinterested and impartial authority should determine just what constitutes this demand. No single State can do it. No private or unofficial authority could hope to have its estimates accepted as free from influence of interested parties. Only a Federal authority would be in a position to determine on a

national scale the requirements for domestic consumption and for export. The same section continues then, giving the Secretary of the Interior authority, using such determination as a basis, also to determine the proper portion of such demand from any State, pool, or source of supply. Seven factors are specified, to which the Secretary is required to give due consideration in determining these portions of demand. Without specifying each of these seven factors, I would call attention to paragraph (3) which requires the Secretary to consider "State conservation laws and the orders of State regulatory agencies for the regulation or allocation of petroleum production." Two other factors are also noteworthy. They are numbers (5) and (6), number (5) requiring consideration to be given to the physical and economic conditions of fields, pools, and so forth. This is especially important, since it involves, among many other things, the preservation of wells of settled production which tap the most valuable oil reserves of the Nation. Number (6) requires consideration of imports.

Paragraph (b) of this section gives the Secretary of the Interior authority to prescribe quotas of crude petroleum for movement in commerce. While there is a certain novelty about the theory of prescribing "quotas for movement in commerce", it is, in reality, simply an expression of the authority of Congress to control interstate commerce. In consideration of this section, I would suggest that the committee refer to the declaration of policy which is proposed in section 1 of this bill. This section also provides for the establishment of plans for the scientific development of new sources of supply, and makes it unlawful to place in commerce petroleum produced in excess of the declared quota or any product derived from such petroleum.

Section 6 gives the Secretary authority to prescribe quotas for production in or from any State, pool, field, lease, and so forth. There is a proviso in this section which is of great importance. This proviso sets forth that the whole section shall remain inoperative within any State so long as valid production regulations prove effective. In other words, duly constituted State authorities have all the power to establish quotas within a State, so long as those quotas do not exceed the Federal allocation of production to that State.

Section 7 gives the Secretary of the Interior authority to require certificates of clearance, if he should deem it necessary.

Section 8 follows the usual form in authorizing the Secretary of the Interior to make such rules and regulations as may be reasonably necessary to carry out the purposes of the act.

Section 9 directs the holding of hearings before quotas are prescribed, although giving to the Secretary of the Interior power to prescribe testimony quotas if an emergency exists, without notice or hearing, and also authorizes the Secretary of the Interior to adopt orders or findings of State regulatory agencies without a hearing. Other hearings are also authorized if deemed necessary.

Section 10 grants to the Secretary the power to examine witnesses, administer oaths, issue subpoenas, and to order testimony by deposition.

Provisions for court review of orders, rules, and regulations under this act are made in section 11, which provides, in addition, that no injunction or restraining order is provided.

Section 12 prescribes court procedure against those failing to obey orders, regulations, and so forth, under this act.

Section 13 provides for penalties for violation of the act or any order, rule, or regulation issued pursuant thereto.

Section 14 sets up the Petroleum Administrative Board composed of not more than seven members appointed by the Secretary of the Interior, whose salaries are to be paid out of revenues collected from the industry under the special taxes imposed in the Revenue Act of 1934, and authorizes that Board to employ various qualified persons, the Secretary of the Interior being given authority to delegate any or all of his power to this Board.

Section 15 makes certain the continuance of the code of fair competition for the petroleum industry where it is not inconsistent with this act.

The remainder of the act contains a saving clause providing for prosecution for offenses committed prior to the effective date of the act under any provision of law or code which might be repealed by this act.

Section 17 provides that the validity of the remainder of the act shall not be affected by any provision in it being held unconstitutional.

Section 18 makes certain necessary definitions.

Section 20 provides that the act shall be in force for 2 years from its passage and approval. This time limit has been inserted on the theory that if the act does not appear to be practical or effective in its operation to justify its continued operation, it would become ineffective after 2 years. On the other hand, the act is thus assured a life of 2 years as a minimum period in which it might demonstrate its value both to the Nation and to the industry.

#### OIL INDUSTRY AIDED RECOVERY

The domestic petroleum industry, in spite of the demoralization which had characterized it previous to the adoption of the petroleum code and from which it has been endeavoring to emerge, has given unusual cooperation to the present program for industrial recovery. In spite of the fact that it had not yet attained even a cost-recovery basis, it increased employment, decreased hours of labor, increased the total amount of wages paid, and also the wage per man. It thus made available large sums of money throughout the oil-producing States for the purchase of commodities provided by other States in the Union. The industry is still maintaining those advances made for the benefit of labor and in aid of national recovery. It is doing this in spite of the fact that it is still far from a stable condition. Some sections of the industry, notably the independent producer and the independent refiner, are threatened with a breakdown in the price structure which may mean ruin to many of these. The plight of the independent marketer is involved with that of the producer and refiner. These phases of the domestic petroleum industry are seeking some degree of security such as would be afforded by a specific act of Congress definitely stating the authority for production control instead of this being dependent wholly upon Executive orders. The stay recently granted by the New Orleans court has made the situation of the administration of the code rather precarious.

It is commonly admitted that very large quantities of oil are being produced in violation of the allocation orders issued by the petroleum administrator. Until there is final action by the courts it appears to be difficult to secure enforcement of these orders, especially in view of the attitude taken by some State officials. Should there be a wide-spread and increasing overproduction inevitably the price structure would collapse and the wells of settled production would be faced with the alternative either of selling their product at less than its cost or else of considering abandonment of these properties which reach the most valuable petroleum reserves of the Nation. The importance of the wells of settled production, which would be protected by legislation of the type which I propose, has been set forth recently by Ray M. Collins, formerly State umpire for oil in Oklahoma, who made the following estimate for Oklahoma:

That in the next 20 years the 54,000 stripper and semistriper wells will produce 540,000,000 barrels while the 3,580 flush wells will ultimately produce 425,000,000 barrels of oil; that there are between 15,000 and 18,000 men employed to operate the 54,000 wells and only 10,000 men employed on the 3,580 flush wells.

From this it is quite evident that these wells of settled production must be preserved in the interest of the national welfare and also that labor has a very direct and vital interest in the preservation of these wells since more labor is required to produce a given quantity of oil from wells of settled production than from wells in the flush areas.

The cooperation in the national recovery program which has been furnished by the wells of settled production is worthy of special comment. Figures which were gathered by the Independent Petroleum Association of America from these wells of stripper production show comparative figures relative to employment conditions in their operations before

and after the code became effective. This data gathered from stripper-well areas in 10 States show that the total employment for the wells and fields reported increased 34 percent in January 1934 over June 1933 and 46 percent in March 1934 over June 1933. In the same period the total monthly pay rolls increased 55 percent in January 1933 over the preceding June, and in March of this year had increased 79 percent over the preceding June. The average pay per month per man in January 1934 was 13 percent more than the pay in June 1933 and 17 percent more in March.

The petroleum industry is not the only one which has an immediate concern in the adoption of legislation which will preserve that phase of the Nation's business. The industrial States of the Union are also concerned, since they must depend, in a large degree, upon the continued purchasing powers of the oil States. So too the railroads of the country will be seriously affected by any policy which diminishes the amount of goods they carry from the industrial States to the oil States should the oil industry return to the condition in which it was a year ago. Furthermore, the coal industry cannot hope for recovery if millions of barrels of oil are consumed as fuel, replacing coal in the markets normally supplied by coal. In the absence of production control, which would balance production with the consumptive demand of the Nation, it is inevitable that large quantities of petroleum, which might otherwise have more important uses, is consumed merely as cheap fuel.

In order to give more specific authority than that which is now afforded by the petroleum code or by Executive orders for the rehabilitation of the petroleum industry, in order to prevent the entry into this country of large quantities of cheap foreign oil which might take possession of our domestic markets, in order to insure to labor continued and increased employment with shorter hours and with higher pay than it has been recently receiving, in order to maintain the purchasing power of approximately 20 States of the Union in which the oil industry is today prominent, in order to prevent further damage to the coal industry, in order to aid our railroads and our merchant marine, and, in general, to stimulate further the progress being made toward national industrial recovery, positive legislation definitely setting forth the terms under which this great natural resource can most equitably be produced is of the greatest consequence. Unless some method may be found by which to prevent a small and recalcitrant minority in that industry from wrecking the constructive work which is being attempted by the great majority, most serious damage may be done to the entire program for restoration of our national prosperity.

#### THE OPEN ROAD TO NATIONAL RECOVERY

Mr. KEE. Mr. Speaker, no one can controvert the fact that when the Democratic Party on the 4th day of March 1933 entered upon the administration of the affairs of the country, the people required and demanded immediate action. Not only was this the prayer and demand of a suffering people, but it was also the requirement of the political, social, and economic condition in which the country had been placed by reason of many years of totally incompetent and inefficient administration. The condition existing on that March day of last year when Franklin D. Roosevelt faced the countless thousands of his hopeful and expectant countrymen massed in Capitol Square, and with upraised hand took the oath of his high office, is too vividly remembered to require rehearsing. However, it is well, perhaps, to sketch an outline swiftly—that we may not forget.

At that time approximately 14,000,000 men of this country, dependent upon their daily wage for a living, were out of employment. The wheels of industry had ceased to turn; desolation brooded over the silent factories; no flames flared from the furnaces; no smoke poured from the stacks; locomotives rusted in the yards of the great railways and empty cars stood idle upon the sidings; mine tipples were silent and deserted, and drift and shaft no longer echoed the sounds of toil; the highways were crowded with countless thousands of able-bodied men tramping from city to city

and from town to town in a vain search for a means of livelihood; the streets of every city, great and small, re-echoed day and night to the tramp of an army of unemployed vainly seeking a chance to earn a living for themselves and families; hunger and want not only marched in the ranks of this great jobless army, but hunger and want and cold and hardship and privation knocked at the doors of countless homes and, entering, laid wanton hands upon womanhood and childhood; banks and other financial institutions were daily crashing and the lifetime savings of millions of thrifty people were being swept away. The auctioneer's hammer daily rang the knell to the dreams of home owners, and farms had become but a cheap commodity in the marketplace; no ray of hope came to pierce the gloom of the nights of misery and no rainbow of promise appeared in the clouded skies of the days of despair.

This was the situation when, on the 4th day of March 1933, the man whom the people had selected as their leader, in accepting that leadership said:

The people of this country demand action—action now, and they shall have it.

Let us for a moment look at the record showing how that promise has been kept. This record is that of the special and regular sessions of the Seventy-third Congress and it is indelibly written into our country's history.

Two days after the inauguration of Franklin D. Roosevelt he declared a bank holiday and closed the doors of every banking institution in the United States. He said, in effect:

We will take stock of your condition. If you are sound and fit to operate we will let you reopen. If you are merely weak we will give you aid. If you are insolvent you can no longer handle the people's money.

We all know the result of that drastic action. There was no further crashing of banks. Stock was taken and the sound and solvent banks were almost immediately reopened. The weaker banks were aided and assisted to the extent that within a short while the banking system of the country was upon a working basis and enjoying the renewed confidence of the people.

Within 5 days after the inauguration of the new President a special session of Congress was called and assembled on the 9th day of March 1933. No delay was had in taking the action which had been promised. All precedents were shattered by the rapidity of this action. Backed by the tremendous public sentiment which had carried this administration into power, the Congress lost no time in placing upon the statute books the remedial legislation demanded by the emergency.

Almost immediately after the assemblage of Congress came the passage of what is known as "the Emergency Banking Relief Act" which met the banking situation as it then existed. This was followed by the National Economy Act which authorized the President to reorganize all Government bureaus and commissions in the interest of economy. Sweeping reductions were made in Government salaries and remunerations and slashes were ordered in other governmental departments. This legislation was immediately followed by the passage of the act legalizing the sale of light wines and beers, thus modifying the harshness of the unenforceable Volstead Act. Followed quickly the enactment of Public, No. 5, which established the Civilian Conservation Corps and in its operation placed 300,000 young men in healthful and gainful employment in the forests of the country.

From thence on the great plan for national recovery was rapidly crystalized into legal authorization. By successive enactments the President was authorized to suspend gold specie payments, remonetize silver, ban gold exports, issue \$3,000,000,000 in currency and reduce the gold content of the dollar. He was also empowered to cancel the "gold clause" in all public and private contracts. In addition to this, and for the purpose of industrial relief, the President was given authority to set aside antitrust laws in order to permit industry to enter fair-trade agreements to economize in the marketing of its products. By further authority

granted to the President, the death knell was rung to the sweat-shop system of the country and to cut-throat competitive practices.

#### AGRICULTURAL RELIEF

At the special session of Congress the great needs of the farmers of the country were recognized and their pleas for relief were heeded. A farm relief organization was created and given power to fix prices, regulate marketing of crops, rent surplus acreage, and to pay bonuses to farmers for reducing production. Authorization was granted to exchange Government-owned cotton for pledges to reduce acreage of cotton planting. The sum of \$2,000,000,000 was appropriated to refinance farm mortgages at low interest rates over a long term of years. Government farm credit agencies were consolidated under a new administrator to provide fresh means and avenues of low credit rate for farmers.

All of this legislation of the special session in behalf of agriculture was supplemented at the regular session by the passage of yet more important measures of farm relief. At the regular session there was enacted the A.A.A. Farm Relief and Inflation Act providing for direct agricultural relief by authorizing the Secretary of Agriculture to force increased farm prices through certain means provided in the act. Arrangement was made for farm-mortgage relief through the refinancing of farm mortgages at 4½-percent interest for which purpose the issuance of more than \$2,000,000,000 in Government bonds was authorized, the Government guaranteeing the interest. A broad inflation program was authorized involving expansion of Federal Reserve credit to the extent of \$3,000,000,000 in treasury notes secured solely by the credit of the United States Government. The Reconstruction Finance Corporation was authorized to make loans to drainage, levee, irrigation, and similar districts to the extent of not exceeding \$50,000,000.

By the enactment of the Farm Credit Act loans were authorized for the producing and marketing of agricultural products. A production credit corporation and bank for cooperatives was created in each of the 12 Federal land bank cities with a capital of \$7,500,000. Important provisions were made authorizing the purchase by intermediate credit banks of agricultural or livestock notes from national or State banks and other similar institutions, and authorizing loans to be made on warehouse receipts, mortgages, and other documents covering agricultural products or livestock.

The Federal Farm Mortgage Corporation was created by the Farm Mortgage Refinancing Act. The Crop Loan Act authorized the Governor of the Farm Credit Administration to make loans to farmers during 1934 for crop production and harvesting, and to make loans for feed for livestock in drought- and storm-stricken areas. Forty million dollars was appropriated to carry into effect the Crop Loan Act. The Jones-Connally Farm Relief Act provided for the inclusion of beef and dairy cattle and certain other basic commodities within the benefits of the A.A.A. and appropriated \$200,000,000 to enable the Secretary of Agriculture to finance the carrying out of the provisions of the act. Fifty million dollars was appropriated to reimburse farmers for cattle slain for the purpose of eradicating tuberculosis and to enable the Secretary of Agriculture to make advances to the Federal Surplus Relief Corporation for the purchase of dairy and beef products for relief purposes.

The Bankhead Cotton Control Act was passed for the promotion of the orderly marketing of cotton in interstate and foreign commerce and for the stabilization of the cotton markets. To the same purpose was the Jones-Costigan Sugar Act which accomplishes for sugar the same benefits as those given to cotton in the act last named. The sum of \$150,000,000 was appropriated to carry out the provisions of the last two measures.

By enactment of the Farm Mortgage Foreclosure Act a means was provided to enable farmers to secure loans for the purpose of repurchasing farm property which had been sold from them under foreclosure of mortgage.

## PUBLIC WORKS

At its special session, Congress authorized the largest Public Works program in the country's history. The sum of \$3,300,000,000 was set aside to carry out the purposes of the act. Of this amount, \$400,000,000 was allocated for public-highway construction in the various States, and the balance was set aside to provide Federal aid in the construction of State and municipal projects, as well as to make construction loans to industry. The National Industrial Recovery Act provided for the adoption by all industries of codes of fair competition; guaranteed to labor the right to collective bargaining; it prohibits "yellow dog" contracts; establishes maximum hours, minimum rates of pay, and guarantees proper working conditions. This act is a proclamation of emancipation of labor. It writes the end, not only to the sweatshop, but to the use of child labor in the industries of this country.

## HOME OWNERS

The passage of the Home Owners' Refinancing Act whereby the Home Owners' Loan Corporation was created with a capital stock of \$2,000,000 and the authorization of a \$2,000,000,000 bond issue gave to the small home owners of the country their first opportunity to save their homes from sacrifice at the auctioneer's block. At the regular session of Congress the bonds of this Corporation were, by an amendment to the original act, guaranteed both as to principal and interest by the United States Government. By an additional amendment at the regular session the Corporation was authorized to advance cash to an aggregate not exceeding \$200,000,000 to home owners for the purpose of making necessary repairs, rebuilding and enlargement of their homes. The National Housing Act, passed at the regular session and now before the President for his signature, provides a comprehensive plan of home financing and mortgage insurance, and creates a savings and loan insurance corporation to insure the accounts of Federal savings and loan associations.

## MONETARY

By joint resolution passed at the special session, the gold clause in all Federal and private obligations was canceled and these obligations were made payable in legal tender. By the Gold Reserve Act passed at the regular session the President was authorized to revalue the dollar at 50 to 60 percent of its existing statutory gold equivalent. A \$2,000,000,000 stabilization fund was created out of profit accruing to the Government as the result of the deflation of the dollar. This fund was placed in charge of the Secretary of the Treasury who was vested with authority to use it in such manner as might be deemed expedient for stabilizing the dollar abroad. The coinage of gold was declared to be at an end and the metal itself, in bullion form, is to be held in the Treasury as backing for paper currency. Title to all the gold in the Nation, including that held by the Federal Reserve banks, was vested in the Treasury of the United States.

The Silver Purchase Act, now before the President for his signature, declares it to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the Nation should be increased, with the ultimate objective of having one-fourth of the value of such stocks in silver. To attain this end the Secretary of the Treasury was authorized and directed to make purchases of silver when such purchases become necessary to the maintenance of the ratio provided, and to make sales of silver whenever the monetary value of the stocks of silver becomes greater than 25 percent of the monetary value of the stocks of gold and silver. This act also authorizes the issuance of silver certificates and the placing of them in actual circulation, making such silver certificates legal tender for all debts and dues. The act also contains other important provisions with respect to the remonetization of silver and its reestablishment as a basic money for the people.

## BANKING

In addition to the banking legislation enacted at the special session and which provided for the insurance of individual bank deposits up to \$2,500, the regular session

enacted the Banking Deposit Insurance Act which provides for an extension of this deposit insurance until July 1, 1935, and increased the amount of deposits so insured to the sum of \$5,000. This act also empowered the Reconstruction Finance Corporation to make loans upon or purchase the assets of any bank closed between December 31, 1929, and January 1, 1934, upon terms to be prescribed by the Corporation. This provision will undoubtedly result in the payment of substantial amounts to the depositors in closed banks, the affairs of which have not been yet liquidated.

## RELIEF

It was already recognized by the present administration that all other plans heretofore followed, or attempted to be followed, for the relief of the distressed during the period of the depression were wholly inefficient. All forms of relief which did not go directly to those in need of it were ineffective. Already in the special session there had been made an appropriation of \$500,000,000 for direct relief. This amount was granted by the Government to the various States to feed, clothe, and house the unemployed. There was created a new Federal system of employment bureaus to cooperate with the States in finding employment for those without means of support. The reforestation camps were established for the benefit of the unemployed. The Tennessee Valley Authority was created and the great sum of \$240,000,000 heretofore invested by the Government in the Muscle Shoals project, and from which the Government has heretofore received no returns, was put to work. Added to this was a provision for not only the expansion by the Government of this great project, but the development of a gigantic program for developing the Tennessee River Valley. This resulted, and will result, in the placing in employment of thousands of the heretofore unemployed, and in furnishing electric power to a vast area at prices which will serve as a yardstick with which to measure the charges of privately owned utilities.

At the regular session there was passed the Roads Employment Act which is now before the President for his signature, which authorizes an appropriation of \$300,000,000 for road work in the year 1935 and \$100,000,000 in the year 1936. In addition to this, there is an authorization of \$125,000,000 for road work in each of the years 1936 and 1937, which is available when met by the various States by an appropriation of a sum equal to that allocated to the respective States. This act also appropriates \$24,000,000 to be spent during each of the next 3 years on roads through public lands, national parks, and Indian reservations. During the regular session, by the passage of the Civil Works Emergency Relief Act, there was appropriated an additional \$950,000,000 available until June 30, 1935, for a continuation of the Civil Works program and for direct relief purposes.

## NATIONAL DEFENSE

By an act approved by the President on June 15, 1934, the National Guard was made a part of the Army of the United States and subject to active duty in time of war or national emergency. The Vinson naval parity bill authorizes the construction of our Navy up to the limit provided by the naval limitation treaties entered into by this country. Various other enactments were made affecting the personnel of the Marine Corps, promotions in the Navy, and the assignments of officers and enlisted men to foreign stations.

## SECURITIES

At its special session, Congress passed the Securities Act which amounts to nothing more nor less than a national "blue sky" law designed to insure to the purchasers of securities that when they make their purchases in the open market they will receive securities of sound value. At the regular session there was enacted the Securities Exchange Act, which placed in the Federal Government a strong control over the stock exchanges. This measure is designed to prevent a recurrence of that disastrous period of speculation which immediately preceded the plunging of this country into its past years of depression.

## REVENUE

Congress, by its Revenue Act of 1934, while increasing taxes on capital stock, estates, gifts, and certain other



objects of taxation, removed part of the burden on small-income taxpayers and shifted it to the higher incomes.

#### RAILROADS

By the Emergency Transportation Act, Congress established a system of railroad control and created a Coordinator of Transportation to work in cooperation with the railroads and with labor, but not at the expense of the wage earners. Thus has been set up the machinery to establish economies in railway management, to promote financial reorganization of carriers, to reduce overhead expenses, improve railway service, and to correct existing evils in railway operation.

The Railroad Retirement Act, passed by Congress and now before the President for his signature, provides for the retirement of railway employees who have been in the service for a period of 30 years or who have reached the age of 65 upon a pension or annuity. This annuity will be based on the period of service of the employee so retired. The fund out of which this pension or annuity will be paid is to be provided by contributions from the employees and from the respective railway corporations—the employees contributing an aggregate of one-third of the fund and the railways two-thirds of such fund. The act is to be administered by a railroad retirement board created by the measure. This act is one of wide-reaching importance and significance to the railway labor world.

#### CONCLUSION

Numerous other measures of extreme importance to the people of the country were enacted by the Seventy-third Congress. It would be impossible within a short period to give a comprehensive picture of the far-reaching effect of this legislation. Not unmindful of the youth of the land Congress provided by the Vocational Education Act for an appropriation of \$3,000,000 annually for 3 years for agricultural, economic, trade, and industrial education. Congress also by the passage of the Wild Life Conservation Act pledged the Federal Government to an effort to preserve and increase the wild life of the country. Another measure along this same line authorized the establishment of sanctuaries to be devoted to the increase of game birds, game animals, and fish.

Another important measure, and one which may perhaps be destined to become the most important, is the Reciprocal Tariff Act which empowers the President to raise or lower tariff rates by not more than 50 percent, and authorizes him to enter into reciprocal-tariff trade agreements with foreign nations. This measure was planned for the expansion of the trade of the United States with foreign countries, to promote reciprocal-trade relations, and to open up foreign markets to American surplus products and commodities.

When we look back over the record of the Congress which is just closing, we cannot help but be astounded at the number and importance of the various measures of legislation enacted and written into the law of the land. It is not ours to prophesy what may be the ultimate result of this legislation upon the affairs of the Nation. We do know, however, that a great part of this legislation, and of the machinery set up by it has been in effect and working over a period of 1 year and that during that period the country has been gradually emerging from the depression. Millions have been returned to employment, distressed conditions have been relieved, industry has been revived, the wheels of transportation are turning, distress is no longer universal, and hope has entered the hearts of the American people. We may have blazed a new trial—we may have entered upon a new road, but it is an open road and we are again upon our way. The shadows of a night of despair are lifting and the dawn of a new day beckoning us on. Our leader is undaunted and unafraid—let us also be without fear.

#### POLITICAL USE OF FEDERAL FUNDS

Mr. HOIDALE. Mr. Speaker, the sordid story of how Federal funds have been used by the State Administration of North Dakota for political purposes and for the purpose

of lining the pockets of State officials is fresh in the mind of the public.

Governor Langer, together with four members of his political gang, have been convicted, and are facing prison sentences. The slimy snake of graft and greed has horned in on the funds which have been furnished by the Federal Government to the State for relief purposes. No Federal officer or employer is involved in the steal.

Millions and hundreds of millions of Government relief funds have been sent out from Washington to help people in distress. The National Government could not undertake to handle the distribution of these funds direct, to good advantage and economically. It naturally made use of the agencies and machinery of the State governments. It had a right to depend upon the honesty and good faith of State administrators.

The President and the departments in Washington that have had charge of the distribution of these funds have taken the high ground that the distribution of emergency relief money should not be based upon political considerations. They say that a person in need is entitled to relief regardless of the party to which he belongs. That is not only reasonable, but it is the right and patriotic thing to do.

Now it appears, from information obtained from Minnesota that has just reached Washington, that Forestry Director Conzet of the Olson administration has sent out a circular letter to State forest rangers in which he gives instructions for the hire of emergency help under new allotments of Federal funds for fire-prevention work.

Mr. Conzet in his circular tells these rangers working under him that it will not be necessary to conform to usual practices in hiring these men "if you meet with the chairman or possibly chairman and secretary of your county Farmer-Labor organization and have the person you are employing approved by them in writing." He adds, with unblushing candor: "This letter of approval must accompany your notice that the man is being put to work."

It seems plain from these instructions that the reports are true that have been heard for months that a person must be a member of the Farmer-Labor Party in order to get a job paid for by relief money. These instructions are far from the fair position taken by the administration at Washington. Even if no State or private funds are being used for the purpose of employing these men, it would be wrong and entirely unfair to say that no one except those who belong to the Farmer-Labor Party shall have a chance to work at such labor as is done in clearing up the forests to prevent fires.

#### A NATIONAL HOUSING AND SLUM-CLEARANCE PROGRAM

Mr. CELLER. Mr. Speaker, one of the most important features in the program of the new deal is the plan to provide for national housing and slum clearance. Poor housing conditions and slum areas are a positive menace to the community in particular and to the Nation in general. Such conditions and areas breed disease and crime and illiteracy and all else that so strongly tend to undermine and weaken our national character. While we have made considerable progress in the matter of supplying to our people food, clothing, and transportation, for one reason or another we have not, up to the present time, enacted legislation to make possible a Nation-wide drive to build better and healthier houses and to rid the country of all its slum areas.

The home, it has often been said, is the very backbone of our society. It is, in fact, the very superstructure upon which all civilization rests. And because the administration appreciates and understands this fact so well, there has been enacted legislation to provide better living quarters for thousands and thousands of our citizens who are now forced to live in so-called "homes", in reality, of a character inferior to many stables, cow barns, and public garages. Conditions in some of our slum areas are unspeakable. One sink in the hallway must oftentimes suffice to provide many families with their water supply. Oil lamps must be used for

light. Air spaces are often few and far between. Children reared in such squalid surroundings do not have the proper chance in life. Slums must be eradicated so that the children may be given clean and wholesome places in which to live and to play and to grow.

Aside from this very important truth, there is the further fact that a Nation-wide housing and slum clearance program will provide employment for millions of our citizens. A very large portion of the unemployed throughout the country are, in one way or another, associated with labor ordinarily employed in the building and construction world. Statistics prove that more than 6,000,000 people now on the relief rolls are normally identified with the building and construction trade, one of our basic industries. Such program, calling into play all phases of this industry will give employment, directly and indirectly, to practically all classes of labor—to the plasterer, the plumber, the electrician, the painter, the iron and steel worker, the carpenter the architect, the gardner, the interior decorator. Moreover, with newer housing there inevitably is brought along a demand for modern equipment, such as better lighting facilities, electric refrigeration, radios, telephones, modern furniture, rugs, pictures, kitchen utensils. In a word, there will be called into service many of the present unemployed skilled and unskilled workers. All along the line of the American scene there will be improved conditions. The benefits of such a program, carried out properly, will be felt throughout the length and breadth of the land.

The challenge of the slums can and must be met. For over and beyond the fact that only in this way can we establish permanent employment, lies the fact of even greater significance, that only through a properly carried out program of housing and slum clearance will the fine American home be preserved as a permanent institution.

APPORTIONING OF APPOINTMENTS IN THE DEPARTMENT OF AGRICULTURE AMONG THE SEVERAL STATES, TERRITORIES, AND THE DISTRICT OF COLUMBIA

Mrs. JENCKES of Indiana. Mr. Speaker, as a member of the District of Columbia Committee of the House of Representatives and as one who is deeply interested in the welfare of the people of the District of Columbia, I desire to bring to the attention of the House of Representatives some facts concerning the apportioning of appointments among the several States, the Territories, and the District of Columbia on the basis of population as ascertained at the last preceding census, a policy that has been adopted by our American Government. I think that this policy is fundamental in government. If we were to do otherwise, and fill the greater number of places in the Federal service at the seat of government with residents of the District of Columbia or territory adjacent thereto, people of distant States, including my own State of Indiana, might well take the position that they were not a part of a centralized government at Washington but that the Government at Washington is run by residents of the District of Columbia and close-by territory, to the end that residents of distant States might even lose interest in government.

I have noticed, too, criticism directed to certain appointees in the Department of Agriculture, because they have been sponsored by the chosen representatives of the people. This criticism may do a great injustice to those people who have entered the Government service in our emergency organizations, many of whom are highly educated and experienced and really represent a high type of personnel.

It is unfair to criticize the employees of the Agricultural Adjustment Administration, where a very high standard of efficiency has been set. I have made some investigation on my own account and find there are literally hundreds of people in the Agricultural Adjustment Administration with A.B., B.S., M.S., and even Ph.D. degrees, as well as former successful business men, who previously made from five to twenty thousand dollars a year, who, on account of the depression, have accepted minor clerical positions in the Agricultural Adjustment Administration. The Government is profiting through the employment of these men and women, who, on account of conditions, are required to accept places much beneath their education and experience.

These employees frequently work all day on Saturdays and on Sundays as well, in order to expedite the work of their departments, and the Members of the Congress who have sponsored them are responsible to the people for their proper performance of duty.

In the early days of the Agricultural Adjustment Administration that organization had 1,494 employees, out of a total of about 3,400, with legal residence in the District of Columbia or the two adjoining States. Such inequitable distribution originally was caused, I fully appreciate, by the fact that the Agricultural Adjustment Act was passed late in the crop year of 1933, and it was necessary to build an organization quickly, absorbing many of the old Census employees.

The Agricultural Adjustment Administration has been trying to correct the inequitable distribution of personnel without interfering with efficiency, and in so doing they are only carrying out the expressed policy of the Congress.

I submit that no one is as capable of judging the efficiency of employees of the Agricultural Adjustment Administration as is the Administrator of the Agricultural Adjustment Act or the Secretary of Agriculture. The President has placed full responsibility upon these executives, and they are responsible to the President for their employees. It is claimed that partisan politics is being played in that organization in the extreme, while as a matter of fact their only desire is to have people who are in full accord with the aims, purposes, and ambitions of the administration and who will give the new deal a fair deal. I find in that organization 4 ex-Members of Congress; 3 are former Members of this body, and 2 of the 4 were elected to the Congress as Democrats and 2 as Republicans.

The Secretary of the Department of Agriculture is making a sincere effort to administer the affairs of the Department in accordance with a policy which has been adopted as part of the national recovery.

American agriculture is passing through a crisis. It is imperative at this time that result-producing efficiency be demanded in behalf of our American farmers in every effort our Government makes in order to speedily aid American agriculture.

I feel it my duty to sound a note of warning now, that the Congress will never desert the policy of apportioning the appointments in the Federal service at the seat of government among the States, Territories, and the District of Columbia on the basis of population, and any agitation in Washington to tear down that policy can do nothing but create a feeling of antagonism on the part of the Congress and the American people toward the District of Columbia and its people. I would not want this to happen. I know that in the Agricultural Adjustment Administration the evident intent of the Congress as regards apportionment of appointments among the States, as expressed in the Civil Service Act of January 16, 1883, likewise section 213 of the Economy Act relative to employment of man and wife at one and the same time, is being strictly adhered to, and they have also set a high standard for appointments.

We should never lose sight of the fact that it is the District of Columbia of the United States of America, rather than the United States of America of the District of Columbia.

I am moved to make these observations, Mr. Speaker, because I believe that there is a growing resentment among some of the Members of the Congress because of the large number of appointments that are made of residents of the District of Columbia and think that the criticism of the appointments from distant States is not productive of good feeling or good results. We must never allow people of the distant States to feel that they do not have equal representation at the seat of government with areas in and about Washington. I say this as a friend of the people of the District of Columbia.

I think it not unreasonable that the Government executives should have the right to select people who are in sympathy and full accord with the aims and ambitions of the President and his administration, and that the several sec-

tions of the country be properly represented in making appointments.

I submit herewith for insertion in the RECORD a list of clerks with college degrees who are now employed in the Agricultural Adjustment Administration at salaries ranging from \$1,260 to \$1,800 per annum, showing the name of the

employee, State from whence he came, university or college from which he graduated, as well as the degrees attained. This list was prepared at my request, in order that the public might make a proper defense to the criticisms that have been heaped upon a highly educated group who are now in a more or less defenseless position.

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,260 to \$1,800 per annum

\$1,260 CLASS

Name of employee	Legal residence	College or university from which graduated	Degrees attained
Arpel, Manuel A.	Illinois	National University	A. B.
Daly, Edward F.	Wyoming	Columbia University	B. C. S.
Davis, Edward T.	Oklahoma	Oklahoma Agricultural and Mechanical	B. S.
Drelling, Edwin J.	Kansas	Kansas State College	A. B.
Gobrecht, Hilda E.	Pennsylvania	Garfield Memorial Hospital	R. N.
Golladay, Virginia	Tennessee	Cumberland University	A. B.
Gurley, Marie	Missouri	University of Missouri	A. B.
		George Washington University	M. A.
Hartsfield, A. M.	Georgia	University of Georgia	A. B.
		Georgetown University	LL. B.
Hogan, Richard J.	Utah	University of Utah	A. B.
Hranac, M. Edith	Nebraska	University of Nebraska	B. S.
Johnson, Mrs. Adele M.	Florida	Louisiana State Normal	A. B.
Johnston, Gayle	Ohio	Bethany College	A. B.
		University of West Virginia	M. A.
Larson, Morris A.	North Dakota	George Washington University	A. B.
Leonard, Fredrick S.	Iowa	Columbia College, Dubuque, Iowa	A. B.
Myers, Mrs. Dorothy C.	Pennsylvania	Marywood College, Scranton, Pa.	A. B.
Nichols, Gladys L.	Indiana	Indiana University Training School for Nurses	R. N.
Parker, Bernadine G.	South Carolina	Syracuse University	A. B.
Penn, Mary	Tennessee	Barnard College	A. B.
		Columbia University	A. B.
Purrington, Sara G.	North Carolina	University of North Carolina	A. B.
Reedy, Marie E.	Kansas	Kansas State Teachers College	B. S.
Shepard, Hazel	Pennsylvania	Ohio State University	M. A.
Smith, Mrs. Alice P.	Oregon	Record incomplete.	B. S. (education).
Smith, Solace A.	New Jersey	Russell Sage College	B. S.
Smith, Willie J.	Virginia	University of Richmond	A. B.
Stinson, Flora Mary	Tennessee	University of Tennessee	A. B.
Thompson, John L.	Massachusetts	University of Vermont	B. S. (economics).
Warner, Marjorie M.	Oregon	University of Oregon	B. S.
Whitfield, Bernice C.	Texas	Howard University, Washington, D. C.	A. B.

\$1,440 CLASS

Addams, Harvey J.	Kansas	Kansas University	A. B.
Ayers, Willard C.	West Virginia	University of West Virginia	A. B.
Baker, N. Meyer	District of Columbia	National Law School	Doctor of Jurisprudence
		do.	
Barry, John P.	Massachusetts	Boston College	A. B.
		Catholic University	M. A.
Beaumont, Edmund W.	Maine	Record incomplete.	A. B.
Benjamin, L. G., Jr.	South Carolina	University of South Carolina	A. B.
Berman, Michael J.	New York	College of City of New York	B. S.
Bishop, Clair R.	Nebraska	University of Nebraska	A. B.
Block, Raphael, H.	Arkansas	University of Chicago	Ph. B.
Bradford, James E.	Virginia	William and Mary College	B. S.
Branch, Wm. V.	North Carolina	Record incomplete.	LL. B.
		University of Wisconsin	B. S.
Briggson, Fred O.	Wisconsin	University of Missouri	M. A.
Brogdon, Norma Rowe	Maryland	University of Maryland	A. B.
Burnett, Katherine W.	Missouri	Oberlin College	A. B.
Call, Thela	Kansas	Washburn College, Topeka	A. B.
Canning, Thomas J.	Massachusetts	Georgetown Law	LL. B.
Carrigan, Wm. A.	Arkansas	Duke University	A. B.
Carson, Milton R.	Pennsylvania	University of Pittsburgh	M. A. and B. S.
Carter, Joseph A.	Missouri	George Washington University	B. S.
		Allbright College, Reading, Pa.	A. B.
Castiello, Joseph F.	Pennsylvania	Catholic University	LL. B.
Chamberland, Henri L.	Arkansas	Columbus University	LL. B.
Childers, Dorothy N.	Missouri	University of Missouri	A. B.
Christianson, Carl G.	Indiana	Notre Dame	A. B.
Clark, Floyd M.	Texas	Simmons University, Abilene, Tex.	A. B.
Clay, Oliver L.	Utah	University of Utah	A. B.
Cleary, William H.	Minnesota	Notre Dame University	A. B.
Cole, Erma E.	Iowa	Upper Iowa University, Fayette, Iowa	A. B.
		Yale University	Ph. D.
Cordiner, Margaret E.	Wyoming	University of Wyoming	B. S.
Costello, Hilary	Massachusetts	Georgetown University	LL. B.
Cowan, Mrs. Margaret	Arkansas	Galloway College, Searcy, Ark.	A. B.
Cribbins, Thomas P.	Connecticut	Catholic University	B. S. (civil engineering).
Crouch, Thomas G.	Virginia	Southeastern University	B. C. S.
Curry, Paul O.	Pennsylvania	Benjamin Franklin University	B. C. S.
Donnelly, Urban M.	Connecticut	Georgetown University	B. F. S.
		Shepherd College	A. B.
Everhart, Herbert W.	West Virginia	University of West Virginia	B. S. (agriculture).
Faulkner, Sallie E.	South Carolina	Winthrop College	B. S.
Floyd, Ruth	Georgia	Elon College	A. B.
Foster, John B., Jr.	Illinois	Washington University, St. Louis, Mo.	A. B. and B. S.
Freeman, John F.	Kentucky	University of Kentucky	B. C. S.
Friedman, George	New Jersey	New York University	LL. B. and B. S.
Geier, Benjamin G.	Wisconsin	University of Wisconsin	A. B.
Gerth, Arthur W.	Missouri	American University	A. B.
Getz, Howard	Pennsylvania	Syracuse University	B. S.
Godfrey, Elizabeth	Montana	Memphis Female Institute	A. B.
Goshorn, Walter S.	Ohio	Wooster College	A. B.
Guiler, William P.	New York	St. Vincents	A. B. and M. A.
Hickey, John H.	New Jersey	Catholic University	B. S. (electrical engineering)
Hitchens, James L.	District of Columbia	Southeastern University	LL. B.
		Iowa Wesleyan College	B. S.
Hookom, Don W.	Iowa	University of Maryland	M. S.
		Midland College	A. B.
Horn, Letha J.	Kansas	University of Southern California	A. B.
John, Henrie E.	California	University of Southern California	A. B.
Johnson, Sara S.	North Carolina	Eastern Carolina Teachers College	A. B.
Katz, Mae Phillip	District of Columbia	National University Law School	LL. B.
Kennedy, Esther M.	Oklahoma	Oklahoma College for Women	B. S.

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,200 to \$1,800 per annum—Continued  
\$1,440 CLASS—continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
Kohner, Elizabeth L.	District of Columbia	George Washington University	A. B.
Krixtein, Simon	Massachusetts	Harvard University	B. A.
Kroger, John F.	New York	Harvard Graduate School	M. A.
Lamb, Charles F.	Missouri	Catholic University	B. S.
Leap, James B.	Kansas	Southeastern Missouri State Teachers College	A. B.
Lehman, John W.	Wisconsin	St. Francis College	B. S.
Lewis, Hyman L.	District of Columbia	University of Wisconsin	A. B. and M. A.
Maley, Austin P.	Pennsylvania	George Washington University	A. B.
Mathews, George	Tennessee	Holy Cross College	A. B.
McCarthy, Timothy W.	Connecticut	University of Alabama	M. D.
McDonald, Cornelia	Alabama	Catholic University	A. B.
McKeever, Francis E.	New York	Flora McDonald College	A. B.
McLucas, John D.	Colorado	Notre Dame	A. B.
McQueeney, Edward J.	Maryland	University of Colorado	A. B.
Mealy, John B.	District of Columbia	Benjamin Franklin University	B. C. S.
Miller, Thomas H.	West Virginia	Columbus University	LL. B.
Mitchell, Burl K.	Illinois	National Law School	LL. B.
Moon, George W.	Pennsylvania	East Illinois State College	B. E.
Morris, Katherine	Maryland	Pennsylvania State College	A. B.
Murray, Bud M.	Colorado	Swarthmore College	A. B.
Mutziger, John G.	Missouri	Colorado Agricultural College	A. B.
Myers, Gibbs	Missouri	University of Missouri	A. B.
Nance, Edna Mae	District of Columbia	George Washington University	M. A.
Ney, Henry F.	Arkansas	University of Maryland	A. B. and M. A.
Niland, Edward M.	Pennsylvania	University of Missouri	LL. B.
O'Brien, Charles H.	do	Pennsylvania State University	M. A.
O'Brien, Joseph A., Jr.	Maine	Marquette University, Milwaukee, Wis.	B. S. (electrical engineering). Bachelor of Foreign Service.
Owen, Margarite	Rhode Island	Georgetown University	LL. B.
Panosian, Aram G.	South Carolina	do	A. B.
Parker, Ruth Elizabeth	New York	National University	B. S.
Phifer, Charles W.	Ohio	Winthrop College, Rock Hill, S. C.	LL. B.
Presti, Arthur A.	Ohio	Washington College of Law	B. S.
Pritchard, A. O., Jr.	Ohio	Ohio State University	M. S.
Richmond, Velma I.	do	Catholic University	Master of Patent Law.
Robick, Marie A.	do	Washington College of Law	A. B.
Romig, Margaret S.	do	Hiram College	B. A.
Ross, Charles R.	California	Pomona College	M. A.
Russell, Francis S.	California	Columbia University	M. A.
Schubert, Wallace L.	California	Western Maryland	B. A.
Sellers, Jean	California	Ames State College	M. S.
Shannon, Kenneth J.	California	Ohio University	B. S.
Shaw, Ethry E.	California	University of Maryland	B. A.
Shaw, W. Frances	California	Boston College	B. A.
Sheppard, Clara	California	Augsburg College, Minneapolis	B. A.
Silverman, Dave	California	University of California	B. A.
Sims, Clifford	California	University of Southern California	M. A.
Simms, George Dyson	California	University of North Dakota	B. C. S.
Smith, C. Ronald	California	University of North Dakota	B. A.
Smith, Michael Paul	California	Florida State College	B. A.
Snider, Ellen F.	California	do	B. A.
Sourwine, Mary N.	California	Erskine College	B. A.
Stanton, Elizabeth D.	California	Benjamin Franklin University	B. C. S.
Stephens, Daisy W.	California	Oglethorpe University, Atlanta, Ga.	B. A.
Sturgis, Mrs. Mary S.	California	George Washington University	A. B.
Sugar, Jeanette O.	California	Utah Agricultural College	B. S.
Terlizzi, Carmelo L.	California	University of California	A. B. (economics).
Torrans, Helen B.	California	University of California	B. S.
Walter, Eva May	California	University of California	B. S.
Warren, Clifton C.	California	University of California	B. S.
Weaver, Amelia	California	University of California	B. S.
Weisblut, Harold J.	California	University of California	B. S.
Welborne, William J.	California	University of California	B. S.
Wescott, Mary A.	California	University of California	B. S. (ed.).
Whitaker, Daisy S.	California	University of California	B. Mus.
Whitehead, Ruth M.	California	University of California	B. A.
Wieland, Joseph H.	California	University of California	A. B.
Wilder, Cassie E.	California	University of California	M. S.
Wilkes, Leon	California	University of California	B. A.
Wolfe, M. Estelle	California	University of California	B. A.
Young, Dorothy	California	University of California	B. A.
Zimmerman, Elizabeth	California	University of California	B. S.

## \$1,620 CLASS

Aal, Cary Wolcott	District of Columbia	George Washington University	A. B.
Aitkens, Irene	Louisiana	do	LL. B.
Alewine, Wm. M.	Georgia	do	LL. B.
Alexander, Frances M.	North Carolina	Winthrop College	A. B.
Alford, Leonard B.	North Carolina	University of North Carolina	M. A.
Aman, Maude E.	Oklahoma	University of Oklahoma	A. B.
Amick, George E.	South Carolina	Columbia College, Columbia, S. C.	A. B.
Anderson, Ervin	Indiana	Hanover College, Hanover, Ind.	A. B.
Apperson, Charles T.	Texas	North Texas State Teachers College	A. B.
Armstrong, Wm. R.	Virginia	Stayer College	B. C. S.
Asmuth, Minnie Louise	Maryland	George Washington University	B. S. (civil engineering).
Aufort, William R.	Wisconsin	do	LL. B.
Bachman, George V.	Florida	University of Miami	B. S. and B. A.
Bailey, Linwood K.	Iowa	University of Missouri	A. B.
Baker, Charles E.	North Dakota	George Washington University	A. B. (economics).
Ballantine, H. T., Jr.	California	Leland Stanford	A. B., M. A.
Bankhead, John E., Jr.	California	Georgetown University	Ph. D.
Barnes, Charles M.	Oklahoma	Princeton University	B. S.
Bartle, Wm. J.	Texas	North Texas State College	B. S.
Battle, Pulaski Elmo	Arkansas	Georgia School of Technology	B. S. (civil engineering).
Becker, Milton S.	District of Columbia	Southeastern University	LL. B.
Beltz, Howard H.	Georgia	Benjamin Franklin University	B. C. S.
	Virginia	do	B. C. S.
	Ohio	University of Michigan	M. A. and B. S.

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,260 to \$1,800 per annum—Continued

\$1,620 CLASS—continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
Bentley, Osce M.	Alabama	Howard College, Birmingham	B.S.
Bergner, John F.	Pennsylvania	Southeastern University	B.C.S.
Bergstrom, Kenneth	Minnesota	Gustavus Adolphus College of St. Peters, Minn.	A.B.
Bernstein, Rena	District of Columbia	George Washington University	B.S. (chemistry).
Bertoglio, James E.	Montana	National University	LL.B.
Biggins, Wm. J.	District of Columbia	George Washington University	A.B.
Biggs, Harold W.	Louisiana	University of Chicago	B.S.
Biggs, Rosalie D.	Pennsylvania	National University	LL.B.
Binkley, Charles H.	California	Stanford University	A.B.
Block, Edward L.	New York	New York University	B.S. (mechanical engineering).
Bogan, John A.	Illinois	Catholic University	B.S.
Boland, Wilson I.	Iowa	Coe College	A.B. (accountancy and statistics).
Boone, John Simeon	North Carolina	Duke University	A.B.
Booth, August M.	Oklahoma	University of Oklahoma	LL.B.
Borda, Joseph L.	New York	Notre Dame University	A.B.
Bordean, Leroy	do	Georgetown University	Ph.D.
Boterweg, Mrs. Cora C.	Georgia	Bessie Tift College of Forsyth, Ga.	A.B.
Botzenhardt, August, Jr.	Montana	University of Montana	A.B.
Bradley, Sydney E.	District of Columbia	Benjamin Franklin University	B.C.S.
Brennan, R. S., Jr.	Missouri	Record incomplete	A.B.
Broome, Frank S.	Indiana	Southeastern University	B.S.
Brown, O. Elvadney	Missouri	State Teachers College, Warrensburg, Mo.	B.S.
Buchanan, Leah	do	University of Missouri	B.S.
Bueher, Mary L.	Ohio	Ohio State College	M.S.
Burke, Joseph A.	Arkansas	Georgetown University	LL.B.
Burke, Martin L.	North Carolina	National University	LL.B.
Burnett, James T.	do	Benjamin Franklin University	B.C.S.
Burrows, Chas. R.	Ohio	Otterbein College	M.S.
Burton, Lucius W.	Oklahoma	William Jewell College, Liberty, Mo.	A.B.
Bushnell, Curtis M.	Iowa	Benjamin Franklin University	B.C.S. (accounting).
Caplis, Solomon	Maryland	Johns Hopkins University	A.B.
Cargdon, Richard G.	New Jersey	George Washington University	A.B.
Carroll, Jerome D.	Iowa	Georgetown University	Ph.D. and LL.B.
Carter, James A.	South Carolina	The Citadel, Charleston, S.C.	B.S. (chemistry).
Carter, Wm. K.	Minnesota	Catholic University	A.B.
Casey, Alice E.	District of Columbia	Middlebury College	A.B.
Cathey, Robert A.	North Carolina	University of North Carolina	B.S. (civil engineering).
Chadwick, John R.	Alabama	Alabama Polytechnic Institute	B.S.
Chirieleison, Frank	Ohio	George Washington University	A.B.
Clark, Leva	Nebraska	Teachers College, Kearney, Nebr.	A.B.
Clement, Elizabeth M.	South Carolina	Winthrop College, Rock Hill	B.S.
Cloer, Elmer	North Carolina	Wake Forest College	A.B.
Collins, John F., Jr.	Alabama	Emory University, Atlanta, Ga.	A.B.
Consedine, Wm. R.	New York	St. Bonaventure College, New York	A.B.
Coster, Albert H.	District of Columbia	University of Tennessee	A.B.
Covey, Lucille V.	Ohio	Southeastern University	B.C.S.
Coxen, Mrs. Anne	District of Columbia	Marietta College	A.B.
Craig, Torrey A.	Mississippi	Butler University	A.B.
Craven, Mildred	Massachusetts	University of Maryland	M.A.
Crowley, Sylvia K.	Maine	University of Mississippi	A.B.
Dalton, Edward	Virginia	Trinity College, District of Columbia	A.B.
Davenport, Wayne	Texas	Strayer College	B.C.S.
Davison, Harvey A.	Pennsylvania	Simmons University, Abilene, Tex.	A.B.
Dean, Paul J.	Illinois	Teachers Normal	A.B.
Deboskey, Mrs. Jane	Iowa	University of Illinois	LL.B. and B.S.
Delaney, Thomas V.	District of Columbia	Coe College	B.S.
Dice, George A.	Pennsylvania	George Washington University	M.S.
Dickie, Martin R.	Michigan	Benjamin Franklin University	M.C.S.
Dinges, Harold R.	Virginia	Bethany College	A.B.
Dittmore, Marlin	Idaho	University of Michigan	B.S. (civil engineering).
Dougherty, Edward P.	Michigan	Shenandoah College, Reliance, Va.	B.C.S.
Ducey, John M.	Illinois	Utah State Agricultural College	B.S.
Dunne, James E.	Rhode Island	University of Detroit	M.S.
Dupler, Parker	Pennsylvania	Holy Cross College	A.B.
Easley, Robert H.	Texas	Providence College	Ph.B.
Easterling, Carson L.	South Carolina	Juniata College, Huntingdon, Pa.	A.B.
Eastman, Florence M.	Vermont	Princeton University	A.B.
Eddberg, Howard O.	Nebraska	The Citadel, South Carolina	A.B.
Emmerich, Harry	Kentucky	University of Vermont	B.S.
Endicott, Benjamin	Arizona	University of Nebraska	A.B.
Evans, Mrs. Ada L.	Indiana	University of Kentucky	A.B.
Farrell, Thomas A.	Pennsylvania	Virginia Military Institute	B.S.
Fickel, June M.	Iowa	Morningside College	B.A.
Figuers, Thomas N.	Tennessee	American University	A.B.
Forman, Nyna	West Virginia	Georgetown University	LL.B.
Fowler, Rachel P.	North Carolina	Simpson College	B.A.
Franck, Edward E.	do	Cumberland University	LL.B.
Fritz, Alvin F.	Pennsylvania	University of West Virginia	M.S.
Fulton, Dorothy M.	Nebraska	University of North Carolina	A.B.
Galloway, James H.	South Carolina	Temple University	B.S.
Gannaway, J. W., Jr.	Iowa	University of Nebraska	B.S. (education).
Garellick, Phillip	New York	University of South Carolina	B.S.
Gelfeld, Albert	District of Columbia	Grinnell College	B.B.A.
Getz, Benjamin L.	Pennsylvania	City College of New York	B.S.
Gilbert, Howard W.	Maryland	National University	LL.B. and M.L.
Gochnauer, Wade A.	Ohio	Lehigh University	B.S.
Goldberg, William D.	District of Columbia	St. Johns College	A.B.
Goldburg, Arthur D.	New York	University of Maryland	M.S.
Goldman, Joseph L.	District of Columbia	Mount Union College	B.S.
Goodman, Joseph	Wisconsin	George Washington University	A.B.
Goodman, J. Roe	Kansas	Southeastern University	B.C.S.
Goodman, Robert	Wisconsin	George Washington University	B.A. and B.L.
Gossard, Ruth A.	Ohio	University of Wisconsin	B.A.
Graft, Edward E.	do	Friends University	A.B.
Graves, Charles G.	Nebraska	University of Wisconsin	B.A.
Greene, Robert P., Jr.	Louisiana	Bliss Teachers Normal	B.S. (education).
Greenfield, Max H.	Michigan	Ohio State	A.B.
Grogan, Lawrence A.	Massachusetts	Bellvue College	Ph.D.
Gross, Edith S.	New York	Louisiana State University	B.A.
		Detroit Institute of Technology	B.C.S. (accountancy).
		Boston College	A.B.
		Hunter College	B.A.

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,200 to \$1,800 per annum—Continued

\$1,620 CLASS—continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
Guerin, Mary M.	District of Columbia	Trinity College	A. B.
Haddad, Lester M.	Ohio	Catholic University	M. A.
Haggerty, LeRoy F.	Connecticut	University of North Carolina	B. S.
Hall, Charles A.	Massachusetts	Georgetown University	Ph. B.
Hall, Clifton G.	New Hampshire	Harvard University	B. S. (chemical engineering).
Hall, Clifton S.	Pennsylvania	University of Maryland	B. S. (education).
Hammack, Bert L.	Georgia	University of West Virginia	B. S. (civil engineering).
Hanson, Jesse B.	do	Oglethorpe University	Bachelor of Journalism.
Harned, Joseph D.	Kentucky	Mercer University, Macon, Ga.	B. C. S.
Harris, William F.	District of Columbia	Bowling Green Business University	B. C. S.
Harris, Jesse M.	Tennessee	Southeastern University	B. C. S. (accountancy).
Hauck, John F.	Maryland	Cumberland University	L. L. B.
Haycraft, Sylvester J.	Minnesota	Yale Law School	L. L. B.
Hesley, Grace K.	District of Columbia	University of Minnesota	B. S. (business).
Hellmuth, Sybel M.	Virginia	Benjamin Franklin University	B. C. S. (administration).
Hendry, Lois Briggs	Alabama	Eastern College, Front Royal, Va.	A. B.
Henning, John M.	Colorado	University of North Carolina	A. B.
Henry, Virginia Stone	District of Columbia	Colorado State University	A. B.
Hirst, Edward Byron	Wyoming	Emory and Henry College, Emory, Va.	A. B.
Hisle, Clinton M., Jr.	District of Columbia	University of Nebraska	A. B.
Hisle, John W.	do	Southeastern University	B. C. S. (accountancy).
Holt, Myrtle	North Carolina	University of Maryland	A. B.
Holtzman, Maurice D.	District of Columbia	Elon College, Elon, N. C.	A. B.
Hopper, Herman W.	North Carolina	Benjamin Franklin University	Master of Commercial Science.
Hoskins, Joseph A.	Missouri	University of North Carolina	B. C. S.
Howard, L. Vashti	Virginia	No record	A. B.
Hoy, John C.	Arizona	Radford State Teachers College	B. S. (education).
Hughes, Ward T.	Ohio	Georgetown University	A. B.
Hunt, William L.	Missouri	Ohio Northern University	B. S. (civil engineering).
Hurwitz, Morris S.	Nebraska	Carlton College, Farmington, Mo.	A. B.
Hutchison, David L.	Missouri	Research University, Washington, D. C.	B. C. S.
Ireland, John	Maryland	Ohio State University	Bachelor of Chemical Engineering.
Jackelen, Henry J.	Wisconsin	Iowa State University	B. S. (civil engineering).
Jackson, Juanita	Missouri	Strayer College	B. C. S.
James, John H.	District of Columbia	St. Thomas College, St. Paul, Minn.	B. C. S.
Jaquiss, Keith	Iowa	Teachers College	A. B.
Jones, Lambert E.	Ohio	Benjamin Franklin University	B. C. S.
Jones, Lillian A.	South Carolina	Northeastern Missouri State Teachers College	B. S. (education).
Jordan, Edward L., Jr.	District of Columbia	Mount Union College, Alliance, Ohio	A. B.
Kantz, Arlington H.	Pennsylvania	University of South Carolina	A. B.
Keester, Earl L.	Nebraska	Benjamin Franklin University	B. C. S. (accounting).
Kells, Robert H.	Wisconsin	Pennsylvania State College	B. S. (electrical engineering).
Kenny, Andrew	Maryland	Nebraska Wesleyan University	A. B.
Kerns, Norman S.	Pennsylvania	Hamline College, St. Paul, Minn.	B. S.
Kinzer, Charles W.	Virginia	Washington College of Law	L. L. B.
Klais, Karl H.	Michigan	Pennsylvania State College	A. B.
Kline, Charles W.	Connecticut	Roanoke College, Salem, Va.	B. S.
Koren, Samuel	Massachusetts	University of Michigan	A. B.
Kornhauser, Lester L.	Ohio	Massachusetts Institute of Technology	L. L. B.
Kosowsky, Jack L.	Nebraska	Ohio State University	B. S. (civil engineering).
Kramer, Harold H.	Massachusetts	University of Nebraska	A. B.
Kurtz, Vernon	Idaho	Boston University	B. S. (civil engineering).
Lacy, Grace D.	Indiana	National University Law School	L. L. B.
LaFarge, Charles A.	Washington	Franklin College, Franklin, Ind.	Ph. B.
Landsiedel, E. Erna	Iowa	Stanford University	A. B.
Lavelle, Vincent F.	Ohio	Iowa State University	A. B.
Lehman, Howard W.	Illinois	Notre Dame	Bachelor of Commercial Science (accounting).
Libanoff, Leo	do	University of Illinois	A. B.
Linder, H. H.	Arkansas	Armour Institute of Technology	B. S. (civil engineering).
Lindsay, John Thomas	Wisconsin	Duquesne University, Pittsburgh, Pa.	B. S.
Lindsey, Byers	Arkansas	Marquette University, Milwaukee, Wis.	L. L. B.
Line, Sol	Indiana	Arkansas College	A. B.
Linsenmeyer, George A.	Wyoming	University of Indiana	A. B.
Littlejohn, James P.	South Carolina	University of Wisconsin	B. S.
Lofton, Robert E.	Indiana	Clemson Agricultural College	B. S.
Lubore, Albert	District of Columbia	Depauw University	B. S.
Lyerly, George A.	do	Columbus University, Washington, D. C.	L. L. B.
Lynch, John K., Jr.	New York	University of Illinois	B. S.
Magruder, John K.	Virginia	Union College, Schenectady, N. Y.	A. B.
Maher, William F.	Connecticut	University of Virginia	A. B.
Mangun, Clara B.	Delaware	Holy Cross College	A. B.
Manley, Oscar L.	Missouri	George Washington University	A. B.
Marilley, Anselm X.	New York	do	D. D. S.
Mayer, John M., III	Pennsylvania	Villanova College	B. S. (civil engineering).
Mazzola, Alphonse	New York	George Washington University	A. B.
McAllister, J. Hector	do	Niagara University, Niagara Falls, N. Y.	B. S.
McCordic, Mrs. Lulu B.	Virginia	Holy Cross College	A. B.
McElholm, Dorothea M.	Massachusetts	Dakota Wesleyan University	A. B.
McFarland, Mrs. Lulu R.	Virginia	Boston University	B. S. (education).
McGarry, Daniel E.	New York	Gullford College, Guilford, N. C.	A. B.
McGuire, Frank	Rhode Island	George Washington University	A. B.
McGuire, James C.	District of Columbia	Georgetown University	L. L. B.
McIntosh, L. Eileen	Illinois	do	M. A.
McTigue, James J.	Massachusetts	Chicago University	B. S.
Meehan, Leo J.	Michigan	Boston Conservatory	Bachelor of Music.
Menzie, Hermine	Missouri	Georgetown University	L. L. B.
Mickler, S. Albert	Florida	St. Lawrence University	B. S.
Miller, Kenneth K.	Michigan	University of Chicago	Ph. D.
Miller, Pauline	District of Columbia	Georgetown University	L. L. B.
Milligan, Mary L.	Michigan	George Washington University	A. B.
Minicker, Jacob A.	Delaware	Benjamin Franklin University	B. C. S.
Monroe, H. Dana	Texas	University of Michigan	B. S.
Moore, Stuart S.	New York	University of Delaware	A. B.
Moore, Thomas L.	do	Baylor University	A. B.
Moran, F. A.	Oklahoma	Columbia University	B. L.
Morrissey, Theo. N.	New York	Catholic University	B. S.
Moss, Joseph Alexander	Arkansas	Southwestern State Teachers College	B. S.
Murray, John J.	Massachusetts	Georgetown University	L. L. B.
		Southwestern College, Memphis	A. B.
		Boston College	A. B.

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,800 to \$1,800 per annum—Continued

\$1,820 CLASS—continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
Murray, R. N.	South Carolina	Wofford College	A. B.
Murry, Freeman F.	Maine	Benjamin Franklin University	B. C. S.
Nash, Mabel	Virginia	University of Maryland	B. S.
Neary, Bernard A.	Connecticut	Georgetown University	B. S.
Neas, Mrs. Frieda	Tennessee	North Carolina State College, Raleigh	M. S. and B. S.
Neville, James F.	New York	Georgetown University	A. B.
Noonan, John F.	do	(St. Bonaventure College, Olean, N. Y.)	A. B.
Norton, Edwin	South Dakota	Georgetown University	LL. B.
O'Boyle, William J.	Wyoming	Catholic University	A. B.
O'Brien, J. Frank	do	St. Mary's College	B. S.
O'Donoghue, Bernardine	District of Columbia	Columbus University	LL. B.
O'Hara, Robert E.	Indiana	Trinity College	A. B.
O'Kelly, Willie D.	Georgia	Notre Dame University	Ph. B.
O'Neil, Annette C.	California	(Southern College, LaGrange, Ga.)	A. B.
Owen, Eugene D.	Iowa	Columbia University	B. S.
Palmer, Helen O.	Pennsylvania	University of California	A. B.
Parnell, Furniss L.	South Carolina	Cornell College	A. B.
Patterson, Walter P.	Michigan	North Carolina College for Women	M. A.
Paul, Edwin H.	District of Columbia	Benjamin Franklin University	B. C. S.
Paull, Hugh G. E.	do	Wofford College	A. B.
Payne, Clarke B.	Indiana	University of Detroit	B. C. S.
Payne, Eleanor D.	Alabama	Southeastern University	B. C. S. (accounting)
Petersen, Dorothy H.	Virginia	Benjamin Franklin University	B. C. S.
Peterson, Blanche	Kansas	Indiana State Teachers College	B. S.
Phelan, Winfield S.	New York	Alabama College of Montevallo	A. B.
Pollack, Abraham	Rhode Island	Park College, Parkville, Mo.	A. B.
Pollock, A. Scott	District of Columbia	Campbell College	A. B.
Pollock, Phillip Basil	North Carolina	Brooklyn Polytechnic Institute	B. S. (chemistry)
Porter, Alexander M.	North Carolina	Rhode Island State	B. S. (agriculture)
Potter, Francis P.	Pennsylvania	University of Maryland	A. B.
Potts, Iry N.	Ohio	University of North Carolina	A. B. and M. A.
Powell, Eleanor	New York	George Washington University	A. B.
Protzman, Cecille M.	Colorado	Villanova College, Pa.	B. S. (civil engineering)
Purdy, Bronson H.	New York	Ohio State University	B. S.
Rainey, Charles A.	North Carolina	Vassar College	A. B.
Raysor, Clifford R.	Florida	Kansas State	B. S.
Rector, William E.	District of Columbia	Dartmouth University	A. B.
Reilly, James J.	Nebraska	Mount St. Joseph's College	A. B.
Reilly, Mary D.	Pennsylvania	Florida Agriculture College	A. B.
Reinert, Henry	Georgia	Benjamin Franklin University	B. C. S.
Reynolds, Anna Louise	do	Notre Dame University	B. C. S.
Reynolds, Charles J.	California	Marywood College	A. B.
Rhodes, F. Marion	Missouri	Carnegie Institute of Technology	A. B.
Richards, Edward H.	Kentucky	George Washington University	A. B.
Rippard, William H.	District of Columbia	(St. Ignatius College)	A. B.
Rittenour, Marion R.	do	Georgetown University	M. A.
Robideaux, Phyllis	Minnesota	State Teachers College, Cape Girardeau, Mo.	A. B.
Rose, Helen M.	Maryland	Davidson College	B. S.
Rosedale, Lucille I.	Louisiana	Benjamin Franklin University	B. C. S.
Rush, Eugene	Texas	George Washington University	A. B.
Sanborn, Donald H.	Maine	University of Minnesota	A. B.
Savage, Theodore H.	Pennsylvania	University of Chicago	Ph. B.
Scarborough, Louis	Washington	George Washington University	M. A.
Schell, Edward J.	Missouri	Southwest Louisiana Institute	A. B.
Schmidt, Henry G.	Maryland	University of Texas	A. B.
Senf, Chatherine	Ohio	National University	LL. B.
Shaw, Thomas C.	South Carolina	University of Pittsburgh	A. B.
Shea, Morgan J.	New York	University of Washington	A. B.
Sheehy, Helen E.	Arkansas	University of Illinois	B. S. (civil engineering)
Shepherd, Malcolm L.	North Carolina	Johns Hopkins University	B. S.
Sherer, Howard	New York	Antioch College, Yellow Springs, Ohio	B. S.
Shorrock, Arthur V.	Washington	Clemson College	B. S. (agriculture)
Sias, Hester V.	New York	Georgetown University	B. S.
Sigillito, Anthony	Missouri	Quachita College, Arkadelphia, Ark.	A. B.
Signor, John E.	New York	University of North Carolina	A. B.
Simmons, Benjamin S.	Kentucky	Pennsylvania State College	A. B.
Simmons, Edwin J.	Indiana	University of Washington	A. B.
Smith, Floyd F.	Pennsylvania	Benjamin Franklin University	B. C. S.
Smith, James K.	Texas	McKendree College	B. A. (economics)
Smith, Lloyd T.	Mississippi	Benjamin Franklin University	B. C. S. (accountancy)
Smith, Oram P.	District of Columbia	North Dakota State College	M. S.
Smith, Robert H.	North Dakota	Mississippi State College	B. A.
Smith, William C.	Mississippi	Yale University	B. S.
Spry, John	Illinois	City College of New York	Ph. B.
Starr, Abraham	New York	Benjamin Franklin University	B. S.
Stephenson, Marion E.	District of Columbia	do	B. C. S.
Stine, R. H.	do	do	B. C. S.
Stolark, Edward J.	Pennsylvania	do	B. C. S.
Stone, Wayne C.	Oklahoma	University of Oklahoma	A. B. (economics)
Sugar, Aaron	District of Columbia	Georgetown University	B. S. and LL. B.
Sughrue, Cecile V.	Kansas	Kansas State University	A. B. and M. A.
Swanson, Edwin A.	Nebraska	State Teachers College	B. S.
Swearingen, Carrie H.	Mississippi	Edward McGehee College	B. C. A.
Sweet, Ben A.	Kentucky	Columbus University	B. C. S. (accountancy)
Sweet, James S.	New York	Columbia University	B. S. (civil engineering)
Swett, Charles Reavis	Florida	Benjamin Franklin University	B. C. S.
Tall, Asael	Idaho	University of Idaho	B. S.
Taylor, Robert A.	Texas	Texas Technological College	A. B.
Thomas, E. Clyde	North Carolina	National University	LL. B.
Thornton, H. A., Jr.	Alabama	University of Virginia	A. B.
Thurlow, Winifred	Tennessee	Columbia University	B. S.
Tierney, Elizabeth K.	Kentucky	Carson Newman	A. B.
Tipton, James C.	North Carolina	University of Louisville	B. S.
Todd, Joseph Joplin	Kentucky	University of North Carolina	A. B.
Townsend, Robert	District of Columbia	University of Kentucky	B. C. S.
Trampe, Robert G.	District of Columbia	University of Pennsylvania	B. S.
Tremble, Joseph R.	Illinois	University of Illinois	LL. B. and A. B.
Triggs, Matthew L.	do	Detroit Teachers College	B. S.
Triplett, Jewell M.	California	Georgetown University	Bachelor of Foreign Service
Underwood, Martha	Missouri	Southwestern Missouri State Teachers College	B. S. and B. A.
	District of Columbia	Benjamin Franklin University	B. C. S.

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,800 to \$1,800 per annum—Continued

\$1,820 CLASS—continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
Van Hoosier, Rose D.	Indiana	Indiana State University	B. A.
Van Winkle, Lewis C.	Oregon	Willamette University of Salem	B. A.
Villegas, Dominador R.	California	Heald's Engineering School	B.S. (civil engineering).
Violett, Robert T.	District of Columbia	Benjamin Franklin University	B. C.S.
Wade, Thomas D.	Rhode Island	Providence College	A. B.
Walker, Fred	Tennessee	Murray State College	B. S.
Walleher, Floyd E.	Alabama	Washington Missionary College, Takoma Park, Md.	A. B.
Walsh, Frank R.	New York	Benjamin Franklin University	B. C.S.
Waring, George S.	Arkansas	Spring Hill College, Mobile, Ala.	B. S.
Waterman, Richard	District of Columbia	Benjamin Franklin University	M. C.S.
Webb, Robert M.	Texas	Texas Teachers College	A. B.
Wendt, Laura	do	Southwestern Texas Teachers College	A. B.
		University of Texas	M. A.
Wertz, Dorothy D.	Ohio	American University	A. B.
Whitins, Edmund J.	Pennsylvania	Lehigh University	B.S. (civil engineering).
White, Victor Rush, Jr.	Alabama	Alabama Polytechnic Institute	B. S.
Whybrew, Waldo E.	Minnesota	Northeastern Missouri Teachers College	B.S. (education).
Willis, Arthur B.	District of Columbia	Benjamin Franklin University	B. C.S.
Wilson, Agnes W.	Indiana	George Washington University	A. B.
Wilson, John L.	Alabama	Alabama Polytechnic Institute	B.S. (civil engineering).
Wilson, Paul M.	Maryland	Benjamin Franklin University	B. C.S.
Witt, Irene M.	Wisconsin	Oshkosh State College, Oshkosh, Wis.	B. S.
Wolfe, Edgar A.	Oregon		B.S. (mechanical engineering).
Wolohan, Eugene C.	New York	St. Johns College, Brooklyn, N.Y.	A. B.
Woodward, Bernice	Kentucky	Washington College of Law	LL.B.
		Lewis Institute of Technology	B. S.
Yap, Diosdado M.	Illinois	National University	M.S.
		George Washington University	M. A.
Yates, William A.	New York	Georgetown University	LL.B.
Young, Myrtle A.	California	Grove City College, Grove City, Pa.	A. B.
Youngman, Emma P.	Pennsylvania	Bucknell University	A. B.
Zablocky, Helen E.	do	Rider College, Trenton, N.J.	B. C.S.
Zibart, Carl F.	Tennessee	Vanderbilt University	A. B.

Total, 502.

List of calculating-machine operators appointed in the Agricultural Adjustment Administration between Mar. 1, 1934, and June 15, 1934, together with the grades attained in the examination

[These are prize students from underquota States, and it will be noticed that no operator was appointed with a rating of less than 90 percent.]

Name	State	Grade
Arbanas, Lois	Michigan	100
Atkins, Gus T.	Tennessee	90
Barr, Sarah M.	New York	98
Bourland, W. George	Texas	94
Butler, Grace D.	Rhode Island	90
Cain, Estelle C.	Alabama	92½
Catterall, Chloris	Louisiana	94
Charters, Betty M.	Ohio	98
Corrigan, Ann Rita T.	Delaware	96
Cuddy, Irene D.	Connecticut	94
Cully, Marcella	New York	94
Culvey, Ruth R.	Oklahoma	100
Dean, Elizabeth	Pennsylvania	100
DeRosa, Celeste	New York	98
DeSole, M. Louise (Mrs.)	Georgia	94
Dimmick, Kenneth	Pennsylvania	94
Dyer, Oliver W.	Texas	96
Engberg, Pauline	Minnesota	100
Englert, A. Elizabeth	Pennsylvania	92
Fortner, Lois Jane	Ohio	98
Fowler, Hazel A.	Massachusetts	96
Frick, Arlene M.	Oklahoma	96
Glass, Ruth M.	Missouri	96
Griffith, Murie	Tennessee	94
Haines, M. Regina	West Virginia	90
Harper, Helen M. (Mrs.)	Kentucky	90
Harrison, George C.	Connecticut	96
Henger, Aileen L.	Ohio	100
Hohnen, Rose E.	Minnesota	100
Hooton, Olline	Texas	100
Judge, Helen M.	Rhode Island	92
Juncal, Lois W.	Colorado	94
Kimbrough, Mildred L.	Tennessee	96
Kollruss, Kathryn	Arkansas	98
Lewis, Velma S.	do	90
Lucas, Jennie M.	Massachusetts	98
Lytte, Thelma V.	Pennsylvania	90
McCreery, Helen S.	Rhode Island	92
McFall, Mary Ruth	Missouri	98
McGlone, M. Henrietta	Idaho	96
Marks, Ruth D.	Massachusetts	92
Mastandrea, Josephine M.	Ohio	96
Mullaney, Emily M.	New York	90
Mullaney, Viola G.	Rhode Island	98
Nanman, Myles H.	Pennsylvania	95
Nickolson, Helen T.	do	94
O'Brien, Rosemary	Ohio	94
O'Lone, Rosemary C.	New Jersey	92
O'Sullivan, Mortimer S.	New York	98
Pichette, Elizabeth T.	do	98
Poole, Lloyd C.	Michigan	90
Powe, Charles J.	New York	92
Powell, Beatrice	Arkansas	90
Randolph, Manessa A.	Tennessee	90
Rinaca, Fred F.	Ohio	92

List of calculating-machine operators appointed in the Agricultural Adjustment Administration between Mar. 1, 1934, and June 15, 1934, together with the grades attained in the examination—Continued

Name	State	Grade
Roche, Mary M.	Massachusetts	96
Rogers, Alice M.	Arkansas	90
Rosenthal, Minnie L.	Florida	94
Ryan, Eleanor F.	Idaho	96
Ryerson, Marie G.	Indiana	94
Samuelson, Alice J.	California	98
Schofield, Florence K.	North Carolina	96
Smith, John J.	Illinois	92
Sperle, Mary D.	Texas	96
Stark, Gladys V.	Minnesota	93
Taylor, Mary J.	Texas	96
Tolley, Mary V.	California	94
Trotter, Louis J.	Alabama	90
Vander Sys, Irene	Michigan	100
VanDeusen, John	New York	96
Warren, Clifton C.	Texas	94
Waters, Lillian R.	New York	100
Wessels, Katherine E.	North Carolina	98
Wessels, W. Kim	do	90
White, Margaret C.	New Jersey	96
Wiggin, Etta J. (Mrs.)	New York	94
Wilkins, Floy W.	Tennessee	92
Williams, Alice A.	West Virginia	100
Witmer, Eleanor M.	Michigan	94
Witt, Della W. (Mrs.)	do	96

Total, 80.

Mrs. JENCKES of Indiana. After reviewing the above list, I am constrained to say that the employees of the Agricultural Adjustment Administration have been selected with discriminating care, and I doubt very much if anywhere in the whole Federal service you will find a body of workers in the minor clerical grades with the high education possessed by the clerical staff of that organization or employees who are better suited to the jobs to which they are assigned.

It affords me great pleasure, Mr. Speaker, to say a word in defense of those citizens who are striving in a result-producing manner to uplift American agriculture in order that the world may be pulled out of the depression which none of us have escaped. It is well, too, Mr. Speaker, that we recognize the fact that there can be no real recovery until the American farmer can be brought back to a reasonable degree of prosperity, for when the farmer prospers he buys what the city man produces, thus giving the city dweller work and wages to buy the product of the farm. There can be no real recovery in the industrial centers until



that recovery is brought about by the backbone of the Republic, the American farmer. We must protect our producers of the food we eat. We will never have a real and lasting prosperity until our citizenship takes decisive steps to surround the source of our food, which is represented by our American farmers, with conditions which will stabilize American agriculture and provide proper reward for those who toil in the fields in order that our citizens may have an abundance of food.

A NEW DECLARATION OF INDEPENDENCE—A MODERN MAGNA CARTA  
FREEDOM FOR AMERICAN FARMERS FROM TYRANNY, CONFISCATION, AND OPPRESSION OF THE SHYLOCKS AND MONEY LENDERS

Mr. TRUAX. Mr. Speaker, I have not swallowed, willingly, the half-baked theories and policies of Henry A. Wallace, Dr. Rex. Tugwell, and their army of Wall Street lawyers, professors, theorists, crack-pots, and nit-wits. Many of you have read my observation on the Canadian Dionne quintuplets, when I said it was lucky that "they were not born in this country, as Secretary Wallace would probably have wanted to plow under two of them."

You may also recall that a few days ago, when Congress appropriated a million dollars to exterminate the chinch bugs, I offered an amendment to spend half of the money to "exterminate the bugs" in the Department of Agriculture. This amendment carried by a unanimous vote, although it is not so recorded in the CONGRESSIONAL RECORD.

I said on March 22, 1933, on the floor of the House when we passed the farm relief bill:

Mention has been made that this measure is revolutionary. It is no more revolutionary than the hearts of the farmers of this country today. We have fixed up the banks, and I say to you that your banks are built upon our fertile soil. You may close all of your banks, place a conservator in every one of them, but restore farm prosperity and the money will flow once again into the bank vaults. Deny this prosperity to the farmer, deny him the cost of production, and the spiders of disaster will weave their webs of dissolution in the windows of all of the banks of the country.

This bill may not be perfect. If we had the privilege of submitting amendments, I would submit an amendment which would leave out all of the \$10,000 experts and substitute instead real hard-headed dirt farmers, who know what they are talking about. But it is not for us to make amendments.

On March 27, 1933, I again said:

If the high-salaried farm leaders, if the well-paid professors and instructors in the colleges of agriculture, if the directors of experimenter stations and farm doctors and research men and bug hunters in the experimental stations, and if the county agents were as successful in obtaining cost of production for farm products as they are in telling the farmer how to run his business, there would be no need for farm-relief legislation today.

I maintain that this bill is the most forward-facing, the most far-reaching, and within 1 year will be the most fruitful of all the emergency legislation that we are passing. It is a new declaration of independence. It means freedom from the evil influence of the gambler and speculator; it means the end of the domination of the big bankers; it means the repudiation of the leather-spectacled plutocratic editors of the city press who solemnly prate of the inescapable penalties of overproduction and eventual consignment of the farmers to that sacred old white ox—the law of supply and demand. Is our tax governed by the law of supply and demand? Is the interest we pay to the money lenders governed by the law of supply and demand? Is the price of machinery that we buy from the harvester trusts based on the law of supply and demand?

During the past 10 years the farmers of this country have been deluged with a torrent of words. It is now time to quit talking and to act. Agriculture is dying. As proofs journey through any agricultural State, observe the homes, the buildings, unpainted for a decade. See the roofs rusting, the fences falling, the weeds growing up. Read the daily papers, note the number of farms confiscated by the money lenders and sold by the sheriffs. There is yet time to save the patient if heroic and emergency remedies are quickly applied.

Mr. Speaker, the farmers of this Nation had supreme faith in Franklin D. Roosevelt. Following his Kansas City speech they looked upon him as the Moses who was to lead them out of the wilderness of gloom and despair. Following his election on November 8, a new light began to shine in the homes of millions of distressed people in the wide-open spaces, and likewise in the homes of the millions of distressed workers in the cities. They knew that at last a real friend of the farmer and of the city worker was headed for the White House; the news that finally a man sat in the Presi-

dential chair who at least was willing to try to solve this age-old problem—the disparity between agriculture and other industries.

Mr. Speaker, on June 13, 1933, the last day of the special session, I expressed regret at the failure of the President and Congress to rescue the farmers and home owners from the money lenders' strangling cord by a moratorium against foreclosure. I said:

These stricken people are the casualties of the economic war that we are now winning. These people, marching in the vast army of the dispossessed, forming the parade of the living dead, can see no rift in the black clouds of despair; for them the sun does not shine. Middle-aged men, old men who have passed their threescore and ten, their wives, their dependents—they march on to the poorhouse, to charity, to more fortunate relatives, to suicide.

They could have been saved, but we did not save them. The way was shown; the trail was blazed; but, perhaps, because the great majority of Congress had never faced the stark, grim, naked reality of being sold out by the sheriff, they failed to realize the necessity for complete and speedy action.

May God will it that never again will honest and hard-working property owners be so wantonly and ruthlessly destroyed and devoured by the financial wolves and twentieth-century Shylocks. For those who have gone, whose bleaching bones lay scattered along the broadening highways of resumption of business, of incomes, and prosperity for others, let us hope these casualties of the economic war will not fulfill the prophecy of Edwin Markham—

"O masters, lords, and rulers in all lands,  
How will the Future reckon with this Man?  
How answer his brute question in that hour,  
When whirlwinds of rebellion shake the world?  
How will it be with kingdoms and with the money kings—  
With those who shaped him to the thing he is—  
When this dumb Terror shall arise to judge the world,  
After the lapse of the centuries?"

Mr. Speaker, the foregoing was uttered just 1 year ago. A miracle has happened in the short space of a year. On June 18, 1934, the Congress of the United States passed H.R. 9865, a new declaration of independence for the American farmer. When this law becomes effective, I can but wonder what will become of the ruthless money lender when the breath of gold leaves his feculent body and a financial death stops the rattling of his grasping brain, for he is unfit for the higher realm of life and too foul for the one below. He cannot be buried in the earth, lest he provoke a pestilence; nor in the sea, lest he poison the fish; nor swing in space, like Mahomet's coffin, lest the circling worlds, in trying to avoid contamination, crash together, wreck the universe, and bring again the noisome reign of chaos and Satan.

H.R. 9865, passed by both branches of Congress on June 18, last day of the second session of the Seventy-third Congress, says:

*Be it enacted, etc.,* That section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended as follows: In section 75, entitled "Agricultural Compositions and Extensions", after subsection (r), add a new subsection (s), to read as follows:

"(s) Any farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition or extension proposal, or if he feels aggrieved by the composition or extension, may amend his petition or answer asking to be adjudged a bankrupt. Such farmer may, at the time of the first hearing, petition the court that all of his property, whether pledged, encumbered, or unencumbered, by liens or otherwise, be appraised, and that his exemptions as prescribed by the State law, subject to any liens thereon, be set aside and that he be allowed to retain possession of any part or parcel or all of the remainder of his property and pay for same under the terms and conditions set forth in this subsection (s).

"(1) Upon such a request being made in the petition or answer, at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall appraise all the property of the debtor at its then fair and reasonable value, not necessarily the market value at the time of such appraisal. The appraisals shall be made in all other respects, with right of objections, exceptions, and appeal, in accordance with this act: *Provided*, That in case of real estate either party may file objections, exceptions, and appeals within 1 year from date of order approving the appraisal.

"(2) After the value of the debtor's property shall have been fixed by the appraisal as herein provided, the referee shall issue an order setting aside to such debtor his exemptions as prescribed by the State law, subject to any existing mortgages or liens upon any such exemptions to an amount equal to the value, as fixed by the appraisal, of the value of such exempt property as is covered by any mortgage or lien, and shall further order that the posses-

sion, under the control of the court, of any part or parcel or all of the remainder of the debtor's property, shall remain in the debtor subject to a general lien, as security for the payment of the value thereof to the trustee of the creditors, if a trustee is appointed, such a lien to be subject to and inferior to all prior liens, pledges, or encumbrances. Such prior liens, pledges, or encumbrances shall remain in full force and effect, and the property covered by such prior liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors holding such prior liens, pledges, or encumbrances up to the actual value of such property as fixed by the appraisal provided for herein. All liens herein on livestock shall cover all increase, and all liens on real property shall cover all rental received or crops grown thereon by the debtor, as security for the payment of any sum that may be due or past due under the terms and provisions of the next paragraph, until the full value of any such particular property has been paid.

"(3) Upon request of the debtor, and with the consent of the lien holder or lien holders, the trustee, after the order is made setting aside to the debtor his exemptions, shall agree to sell to the debtor any part, parcel, or all of the remainder of the bankrupt estate at the appraised value upon the following terms and conditions, and upon such other conditions as in the judgment of the trustee shall be fair and equitable:

"a. Payment of 1 percent interest upon the appraised price within 1 year from the date of said agreement.

"b. Payment of 2½ percent of the appraised price within 2 years from the date of said agreement.

"c. Payment of an additional 2½ percent of the appraised price within 3 years from the date of said agreement.

"d. Payment of an additional 5 percent of the appraised price within 4 years from the date of said agreement.

"e. Payment of an additional 5 percent of the said appraised price within 5 years from the date of said agreement.

"f. Payment of the remaining unpaid balance of the appraised price within 6 years from the date of said agreement.

"Interest shall be paid on the appraised price and unpaid balances of the appraised price yearly as it accrues at the rate of 1 percent per annum, and all taxes shall be paid by the debtor.

"The proceeds of such payments on the appraised price and interest shall be paid to the lien holders as their interests may appear, and to the trustee of the unsecured creditors, as their interests may appear, if a trustee is appointed.

"(4) An agreement having been reached as provided in subsection (3), the debtor may consume or dispose of any part or parcel or all of said property whether covered by the general lien to the trustee, if a trustee is appointed, or subject to pledges or prior liens or encumbrances held by secured creditors, provided he pays the appraised value of such part or parcel or all, as the case may be, to the secured creditors, as their interests may appear, and the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, or he may put up a bond approved by the referee in bankruptcy that he will make payments, as provided for herein, of any property so consumed or disposed of.

"(5) In case the debtor fails to make any payments, as herein provided, to any or all of the secured creditors or to the trustee of the unsecured creditors, then such secured creditors or the trustee may proceed to enforce their pledge, lien, or encumbrances in accordance with law. It shall be the duty of the secured creditors and of the trustee of the unsecured creditors to discharge all liens of record in accordance with law, whenever the debtor has paid the appraised value of any part, parcel, or all of his property as herein provided.

"(6) Having complied with the provisions of subsection (3), the debtor may apply for his discharge as provided in this act.

"(7) If any secured creditor of the debtor, affected thereby, shall file written objections to the manner of payments and distribution of debtor's property as herein provided for, then the court, after having set aside the debtor's exemptions as prescribed by the State law, shall stay all proceedings for a period of 5 years, during which 5 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retain possession; the first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interest may appear, under the provisions of this act. At the end of 5 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession: *Provided*, That upon request of any lien holder on real estate the court shall cause a reappraisal of such real estate, and the debtor may then pay the reappraised price, if acceptable to the lien holder, into the court; otherwise the original appraisal price shall be paid into court, and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he may apply for his discharge as provided for by this act: *Provided, however*, That the provisions of this act shall apply only to debts existing at the time this act becomes effective.

"If the debtor fails to comply with the provisions of this subsection, the court may order the trustee to sell the property as provided in this act."

#### I FOLLOW THE PRESIDENT

Mr. CELLER. Mr. Speaker, the new deal Seventy-third Congress, which has just closed, should indeed be proud of its achievements. I, as a Member of that Congress, shall

run for reelection on my record made therein. My colleagues and I in the House have willingly and graciously followed our masterful leader, Franklin Delano Roosevelt.

Because I followed the President, there are in my district some benighted individuals, and one whippersnapper in particular, who seek to oppose my nomination by the Democratic Party and my subsequent election. I assure the gentleman, who seeks particularly to oppose me in the primaries, that his words in opposition to me—which involve words of opposition to President Roosevelt's policies—will fall on deaf ears. Up to date he has been attacking me. He has no grounds save "coffee grounds." I assure him that his amateur campaign against me will be as ineffectual as snow falling upon an iceberg.

There should of course be differences of opinion. That is what makes a horse race. I like a good race. I like a good fight. I seek, however, a foe worthy of my steel. Unfortunately, the man who has the temerity to enter the field against me is one whose weapons are mental brickbats, sawed-off shotguns, sling-shots—in short, the tools of a marauder, the weapons of a political brigand, for his stock in trade is falsehood, chicanery, and deceit.

He wears a political coat of many colors. One day he wants a Democratic nomination, the next day he seeks a Republican nomination, the third day he covets the Fusionist label. He will doubtlessly wind up with a con-Fusionist nomination. He surely is not worthy of my steel. I shall hereafter ignore him and treat him with the contempt that his arrogance, distortions, and bully-ragging deserves.

The Seventy-third Congress met in special session at the call of the President, at noon, March 9, 1933, and remained at its task until June 16, 1933. Under the terms of the Norris "lame duck" amendment we met again in regular session at noon, January 3, 1934. Our record of activity has never been approached by any peace-time Congress in the lifetime of the Nation. No Congress has created for the country more benefits. It has been the very embodiment of the new deal. One of our last acts was to appropriate more than \$2,000,000,000 to be used to rescue the jobless and the needy. We have always been at the call and command of the President. However, the President once was overridden. His veto of the economy bill was not sustained. I, however, was 1 of the 70 in the Lower House who stood by the President through thick and thin and sustained this veto which involved the independent offices bill. The President disapproved of it not only because it added \$288,000,000 a year to the Government's financial problems, but also because it restored a form of veterans' benefits—the "presumptive" disabilities—which the President refused to countenance. That \$288,000,000 would have been used for aid and relief to the unemployed.

#### ACHIEVEMENTS OF THE SPECIAL SESSION

One of the very first acts of the Congress was the result of the banking holiday. Our banking system was in chaos. Within a few hours after he was inaugurated, the President, with great courage, declared a banking holiday. All the banks of the Nation were closed. We gave the President the right to do this and made him virtual dictator over our entire banking system. We empowered the President to reopen banks where they were known to be sound. We did all this in the public interest. By March 20, 1933, we had enacted laws to save nearly \$1,000,000,000 in the ordinary expenses of the Government.

Two days later we struck a body blow at prohibition, when we legalized beer. This was done by the Cullen Act, which not only added to our rapidly depleted revenue, but was a death warrant to prohibition.

We then passed the Agricultural Adjustment Act which gave both relief and rehabilitation to agriculture. We set up the C.C.C. camps, called the Civilian Conservation Corps. This involved the erection of forestry camps for unemployed and wayfaring young men. We provided for direct unemployment relief through the P.W.A. and the C.W.A. We gave the country, farm, and home, mortgage relief. We provided for the orderly reorganization of the finances of the

railroads. As an emergency measure we passed the monetary gold-reserve bill.

We adopted the National Industrial Recovery Act, which changed the very economic life of the Nation—all for the better. This rehabilitated business, destroyed child labor, decreased unemployment, increased wages, expanded purchasing power, and enabled thousands of business men to continue in business.

Passage of the Tennessee Valley Authority Act was our first effort in the conservation of our national resources. This act will eventually provide for cheaper electrical power development for almost the entire South.

I herewith set forth in greater detail the most important measures that were enacted during the special session of the Seventy-third Congress. These, it will be seen, were enacted primarily to deal with an emergency.

The A.A.A., Farm Relief, and Inflation Acts, which were approved May 12, 1933, provides among other things for direct relief for agriculture by authorizing the Secretary of Agriculture to force increased farm prices either through the allocation of production or through the leasing of land for the purpose of withdrawing it from production, and to license and tax processors of agricultural products to pay the cost of this program. Under the terms of this act, relief was also provided for mortgages on farms.

The Farm Credit Act of 1933, signed by the President June 16, 1933, made provision for organizations within the Farm Credit Administration to make loans for the production and marketing of agricultural products and to extend agricultural finance facilities to regional and local agencies. There was also created under the terms of this act a production credit corporation and bank for cooperatives in each of the 12 Federal land bank cities.

The Emergency Banking Relief Act, approved March 9, 1933, vested in the President and made applicable to peacetime emergencies the tremendous World War powers of regulation over transactions in credit, currency, gold, and silver. Amongst its other provisions this act authorized the President without evoking the war powers to fix restrictions on the banking business of Federal Reserve members.

Another important measure of the special session of the Seventy-third Congress is the Banking Act of 1933, which was approved June 16, 1933. This act provides for the coordination of Federal Reserve open-market activities. There was created under the provisions of this act the Federal Bank Deposit Insurance Corporation, and provided for a deposit insurance fund made up of \$150,000,000 appropriated by the Federal Government plus stock subscriptions. Provision is further made for a temporary deposit insurance fund from January 1, 1934, to June 30, 1934, insuring individual deposits up to the amount of \$2,500.

The essential provisions of the State Bank Aid Act, approved March 24, 1933, is as follows: During the then existing emergency in banking, any State bank or trust company not a member of the Federal Reserve System for 1 year, might borrow directly from Federal Reserve banks by depositing satisfactory collateral, the same as member banks, under the Emergency Banking Act.

The Collateral Security Act, approved March 9, 1933, extended for 1 year, or until March 3, 1935, the time in which Federal Reserve banks may be permitted to use United States bonds as security for the issuance of their notes and credits.

The Economy Act of 1933, approved March 20, 1933, repealed existing laws relating to benefits for World War and Spanish war veterans, and authorized the President to establish a new pension system within broad limits. Under its provisions the salaries of Senators and Representatives were reduced from \$10,000 to \$8,500 a year.

The Beer-Wine Revenue Act, approved March 22, 1933, granted permission to brewers and wine makers to take out immediate manufacturing permits, and levied a tax of \$5 on every barrel containing not more than 31 gallons; reenacted portions of the Webb-Kenyon Act; made the Hawley-Smoot Act's import duties applicable to importations.

The gold repeal joint resolution, approved June 5, 1933, canceled the gold clause in all Federal and private obligations and made them payable in legal tender.

The Silver Purchase Act, declared among other things, that it was the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States be increased, with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver.

The Tennessee Valley Authority Act, approved May 18, 1933, was created to maintain and operate properties owned by the United States near Muscle Shoals.

Under the provisions of the Insurance Company Loan Act, approved June 10, 1933, the Reconstruction Finance Corporation was authorized to subscribe to insurance companies preferred stock of any class.

The Kick-Back Racket Act, approved June 13, 1933, made it unlawful to prevent anyone from receiving the compensation contracted for in connection with the construction of public works financed by loans or grants from the United States Government.

The Wagner National Employment System Act, approved June 6, 1933, provided for the establishment of a national employment system and for cooperation with the States in the promotion of such a system.

Under the provisions of the Home Owners' Refinancing Act, approved June 13, 1933, the Home Owners' Loan Corporation was created. The Home Owners' Loan Act of 1934, approved April 27, 1934, authorized the issuance of \$2,000,000,000 of bonds by the Home Owners' Loan Corporation which might be sold or exchanged for mortgages.

The Emergency Railroad Transportation Act of 1933, approved June 16, 1933, established a system of railroad control headed by a Federal Coordinator of Transportation to work in cooperation with the roads and with labor to effect economies, but not at the expense of wage earners.

The National Industrial Recovery Act, approved June 16, 1933, declared it to be the policy of Congress in the then existing national emergency of widespread unemployment and disorganization of industry, to encourage national industrial recovery, to foster fair competition, and provide for the construction of useful public works. It covered all industries engaged in or affecting interstate or foreign commerce, and provided for a comprehensive program of Public Works construction. Its record-breaking achievements of the past year may be glimpsed from the chart on the following page.

The Wagner-Lewis \$500,000,000 Emergency Relief Act, approved May 12, 1933, authorized the Reconstruction Finance Corporation to make \$500,000,000 available out of its funds for emergency relief purposes, to be spent by the Federal Emergency Relief Administration created by the act.

The C.C.C. Reforestation Relief Act, approved March 31, 1933, authorized the President to provide work for unemployed American citizens in the construction of works of a public nature in connection with the reforestation of lands belonging to the United States or to the States.

The Securities Act of 1933, approved May 27, 1933, required filing with the Federal Trade Commission and for transmission to prospective investors, the fullest possible information concerning new security issues sold in interstate commerce or through the mails. This act also carries penalties for violation of its provisions.

The Gasoline Tax and Postage Rate Act, approved June 16, 1933, continued the Federal 1-cent-a-gallon gasoline tax another year beyond July 1, 1933. This act further authorizes the President until June 30, 1934, to proclaim such modification of postage rates on mail matter as, after a survey, he might deem advisable by reason of increase in business, the interests of the public, or the needs of the Postal Service.

#### ACHIEVEMENTS OF THE REGULAR SESSION

The measures adopted in the regular session of this Congress were more solidly progressive. I herewith enumerate some of the more important pieces of legislation

which we adopted at the regular session of the Seventy-third Congress.

The Civil Works Emergency Relief Act, approved February 15, 1934, appropriated an additional 950 million dollars available until June 30, 1934, for continuation of the civil works program and for direct relief purposes under the authority of the Federal Emergency Relief Act of 1933.

The Reconstruction Finance Corporation Extension Act, approved January 20, 1934, continued the functions of the Reconstruction Finance Corporation as a lending body for 1 year, or until February 1, 1935, after which it would become only a liquidating corporation. It also provided for increasing the borrowing power of the Reconstruction Finance Corporation by \$850,000,000.

The Reconstruction Finance Corporation exports resolution, approved March 26, 1934, declared it to be the sense of Congress that in any loans made by the Reconstruction Finance Corporation, or other Federal instrumentalities to

The Liquor Taxing Act of 1934, approved January 11, 1934, was designed to yield \$500,000,000 annually in revenue.

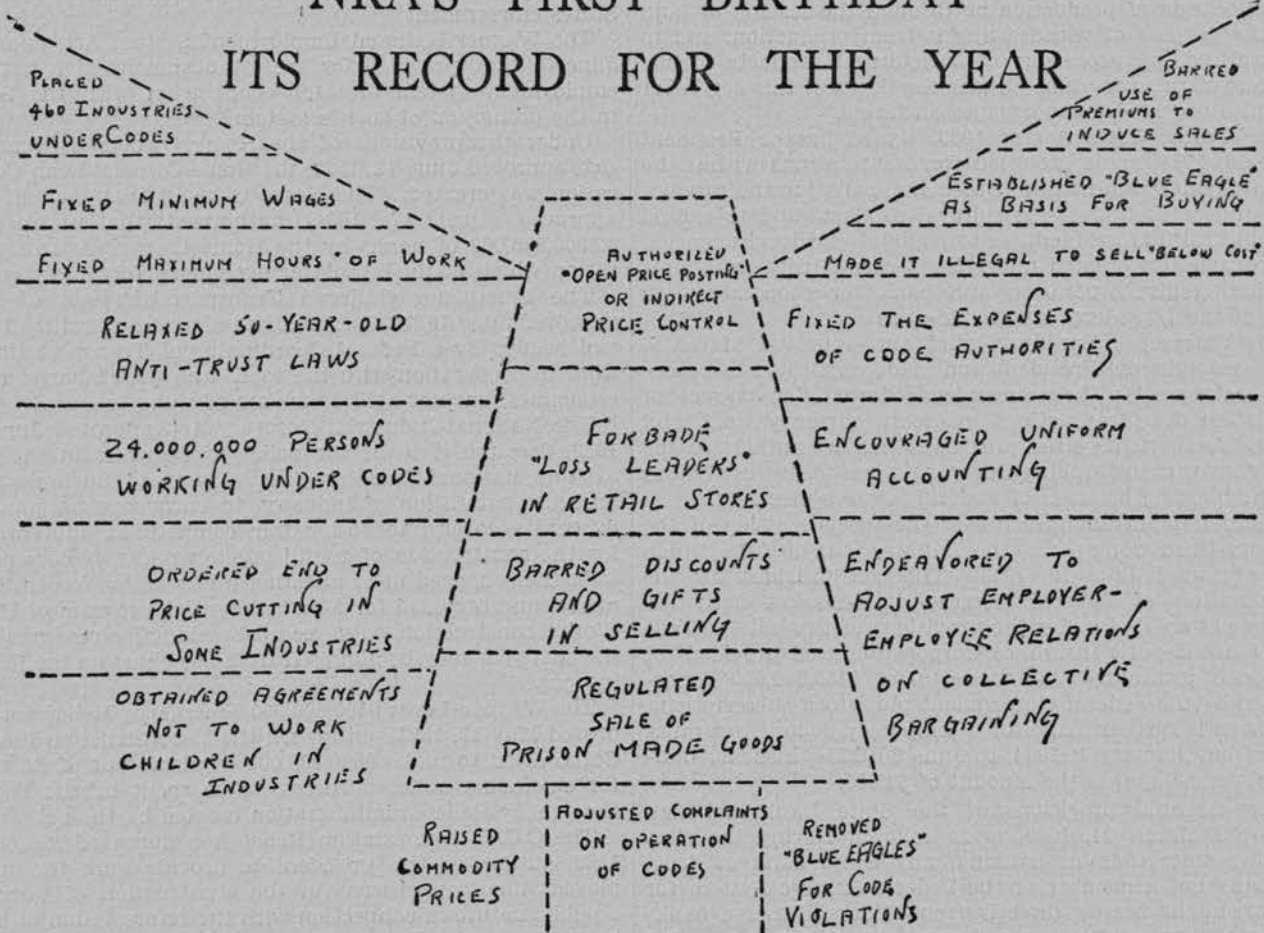
The Independent Offices Appropriations Act, passed over the Presidential veto March 28, 1934, provided for the partial restoration of the 15-percent pay cut of Federal employees and reinstated the form of veteran benefits known as "presumptive" disabilities.

Under the terms of the Vinson naval parity bill, approved March 27, 1934, authorization was given to build up the Navy to the full limit of the London Treaty. One of the new ships, I am pleased to say, will be built in the Brooklyn Navy Yard providing employment for many men in our borough.

The Equal Nationality Act, approved May 24, 1934, amended the Cable Immigration Act of 1922 relative to citizenship and naturalization so as to remove all discrimination against women in the nationality laws. It also granted to mothers the power to transmit American citizenship to children born abroad.

## NRA'S FIRST BIRTHDAY

### ITS RECORD FOR THE YEAR



foster exports of agricultural or other products, provision should be made that such products should be carried exclusively in vessels of the United States unless the Shipping Board Bureau, after investigation, certified to the Reconstruction Finance Corporation that such vessels were not available in sufficient numbers or on necessary sailing schedule or at reasonable rates.

A comprehensive program of home financing and mortgage insurance was provided for by the National Housing Act. It seeks to pry loose private capital for much-needed housing improvements throughout the country.

The labor disputes joint resolution authorized the President to establish a board or boards to investigate issues, facts, practices, and activities of employers or employees in controversies arising under section 72 of the National Industrial Recovery Act.

The Public Utilities Review Act, approved May 14, 1934, amended section 24 of the Judicial Code with respect to the jurisdiction of district courts of the United States over suits relating to orders of State administrative boards.

The Public Utilities Review Act, approved May 14, 1934, amended section 24 of the Judicial Code with respect to the jurisdiction of district courts of the United States over suits relating to orders of State administrative boards.

The Arrest Facilitation Act, approved June 6, 1934, appropriated as a reward or rewards for the capture of anyone charged with violation of the criminal laws of the United States or any State, or of the District of Columbia, the sum of \$25,000 to be spent at the discretion of the Attorney General of the United States.

The National Stolen Property Act, approved May 22, 1934, extended the provisions of the National Motor Vehicle Theft Act of 1919 to other stolen property.

The Permanent Appropriations Act, now before the President for signature, provided, amongst other things, that a larger number of specified annual appropriations shall be subject to annual consideration and appropriation by Congress. Moreover, it requires the Comptroller General of the United States to make a survey of certain appropriations and funds in the custody of Government officers, in

which the Government is financially concerned, and to report to Congress annually his recommendation for changes in existing laws.

The Bank Deposit Insurance Act, provided that beginning July 1, 1934, the amount eligible for insurance should be \$5,000 of the deposits of each depositor instead of the present \$2,500.

In the regular session of the Seventy-third Congress, very important legislation was enacted in the matter of bankruptcy. May 24, 1934, the Municipal Bankruptcy Act was approved. This measure provided that during an emergency period of 2 years, cities and local taxing units might petition Federal courts for approval of plans for readjustment of their duties, if endorsed by holders of 51 percent of their outstanding obligations. It is further stipulated under the provisions of this act that the plan of readjustment should not be confirmed by the judge until it had been approved by creditors holding two-thirds in amount of each class of claims affected by the plan, and also of those holding three-fourths in amount of all securities.

The Corporate Bankruptcy Act, approved June 7, 1934, permitted corporations to reorganize with the consent of the majority of their creditors under the guidance of the courts and allowed financial compromises in many instances when a majority of the creditors had agreed but were balked by minorities. Further provision is made that a petition for reorganization of a corporation might be filed by any creditor or stockholder if approved by holders of 25 percent in amount of any class of creditors, and not less than 10 percent in amount of all claims against the debtor. Moreover, provision is also made that when corporations were not really insolvent but were unable nevertheless to meet maturing obligations, agreement to the petition must come from stockholders representing 10 percent of any class of stock and 5 percent of the total.

In addition thereto, there is contained in this act a prohibition against the appointing as receiver of any person related to any judge of a United States court; and another prohibition against the appointment as attorney for a receiver of any person who was such a relative or member of a law firm of which any member was a relative of such judge.

Section III of this act stipulates that district courts or any of their judges should apportion appointments as receiver equitably amongst all eligible persons, firms, or corporations within the district. This section is the result of the investigation conducted by a subcommittee of the Judiciary Committee with myself as chairman into activities of the Irving Trust Co. of New York as monopoly receiver. This section prevents the recurrence of any such monopoly and compels Federal judges to apportion receiverships and trusteeships amongst persons, firms, and corporations.

The Communications Act of 1934 created a Federal Communications Commission of seven members to regulate the national, interstate, and foreign communications services by telegraph, telephone, cable, and radio. Amongst its other provisions, there is one abolishing the Federal Radio Commission and transferring its functions, as well as regulatory authority over telephone and telegraph, now vested in the Interstate Commerce Commission, to the new Communications Commission.

The Judiciary Committee of the House reported out 14 crime bills, and these were enacted into law. I introduced 11 of these measures. Punishment is provided for killing, assaulting, resisting, opposing, impeding, or interfering with Federal officers while performing their official duties—running down crime. The powers of government were provided, under the commerce clause of the Constitution, to punish extortion by means of telephone, telegraph, radio, oral message, or otherwise. The act forbidding the transportation of kidnapped persons in interstate commerce is amended to provide punishment by death if the verdict of the jury so recommends, or by imprisonment for such term as the court shall determine. Another crime control act makes it unlawful for any person to flee from one State to another for the purpose of avoiding prosecution or giving testimony in cases involving murder, kidnapping, burglary, robbery, mayhem, or extortion accompanied by threats of violence.

Punishment of 10 years imprisonment is also provided for causing or assisting in prison mutiny, riot, or escape. Punishment is provided for certain offenses committed against banks, organized or operating under laws of the United States, or any members of the Federal Reserve System.

Under the Crime Prevention Compact Act, approved June 16, 1934, the consent of Congress was granted to any two or more States to enter into agreement or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcing of their respective criminal laws and policies, and to establish such agency, joint or otherwise, as they may deem desirable for making effective such agreements or compacts.

The Securities Exchange Act of 1934, approved June 6, 1934, provided for the regulation of securities exchanges and over-the-counter markets operating in interstate and foreign commerce and through the mails, and the prevention of inequitable and unfair practices on such exchanges and markets. Amongst its other provisions is one establishing a bipartisan Securities and Exchange Commission of five members, appointed by the President with Senate consent, to administer the act, and also to take over from the Federal Trade Commission the administration of the Securities Act of 1933.

The Reciprocal Tariff Act, approved June 12, 1934, authorized the President for a period of 3 years to negotiate trade agreements with foreign governments without the traditional advice and consent of the Senate. Moreover, the President is empowered by proclamation to raise or lower tariff rates by not more than 50 percent.

The Revenue Act of 1934, approved May 10, 1934, it is estimated, will yield \$167,000,000 additional revenue during the fiscal year 1935 and \$417,000,000 during a full year's operation from increased taxes on capital—stock, estates, gifts, income, capital gains and losses, personal holding companies, reorganizations, consolidated returns, partnerships, and miscellaneous. Under the provisions of this act some of the burden on the small income taxpayers in the "earned income" class is removed and shifted more to those whose incomes come from "unearned" sources, particularly dividends and tax-exempt securities.

The Vocational Education Act of 1934, approved May 21, 1934, provided for the further development of vocational education as an emergency measure during the depression by appropriating \$3,000,000 annually for 3 years, commencing July 1, 1934, one-third to be allotted to agricultural education, one-third to home economics, and the remainder to trade and industrial education.

In addition the President signed the Celler foreign trade zones bill, which permits the expansion of our export and import trade by setting up foreign trade zones at ports of entry. One of my prized possessions is the pen with which the President signed this measure.

#### THE FUTURE

The President's program has not been completed; much remains to be done. The people must see to it that there be returned to Congress men who will follow the President. My opponent will not follow the President. He boasts that his opposition to me is because I followed the President and upheld his veto.

In his message to Congress on June 8, the President said, amongst other things, that social insurance and Federal old-age pensions laws must be considered in the Seventy-fourth Congress convening in January 1935.

\* \* \* security against the hazards and vicissitudes of life is one of the basic duties of our Government.

Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established, among other things, "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

I have been a Representative in Congress for 12 years. I believe I have faithfully served the people of my district. The record of the past Congress in which I served has been stupendous. I did my full share in carrying the burdens. I participated with every ounce of energy within me to

carry out this gigantic program of relief and war on depression. Judging from the barren record of my would-be opponent, it seems inconceivable that he could assume to carry out, much less understand, the task that awaits a Representative in Congress during its next or Seventy-fourth session. I am not worried about the result of the primary or campaign. I have confidence in my abilities to carry on and to carry out the will of my constituents. I have confidence in the intelligence of the voters. They will recognize that which is genuine and spew out that which is sham. I shall again represent the people of this district.

**SURVEY TO DETERMINE THE LOSSES IN THE MEDITERRANEAN FRUIT FLY ERADICATION CAMPAIGN IN FLORIDA**

Mr. PETERSON. Mr. Speaker, ladies and gentlemen of the House, it is my desire to call to the attention of the Members of the House S. 1800, which is a bill providing for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture. I am very much disappointed that we were not able to get final action by the House at this session, and I feel that undoubtedly the gentleman who objected did not understand the exact situation, so I am making this statement for the purpose of calling to my colleagues the true situation, with the hope that in the ensuing session of Congress we may have their assistance in passing this bill.

The Mediterranean fruit fly was detected in Florida on April 9, 1929. It was discovered in the back yard of an experiment station conducted by the Federal Department of Agriculture. In view of the great ravages by this pest in other places where it had been found, shortly, most stringent rules were promulgated. Experts of the Federal Department of Agriculture had figured that at the end of 4 or 5 months the offspring of a single female would amount to 10,000,000 females, not counting the males. Therefore you can readily see that the Federal Department in its quarantine regulations, in a frenzied desire to protect apples, peaches, cherries, and soft-skinned fruit, vegetables and berries of the north, made rigid regulations. There are those that thought that the eradication campaign was merely to protect our own citrus fruit. Such is not the case, because greater damage would have been done to the soft-skinned fruits of our northern neighbors.

Some have advanced the theory that this was an effort to get money into the State. Such a statement is absurd, because the entire amount spent by the Federal Government is considerable less than we pay for labor alone in the citrus groves of my State in a 1-year period.

The citrus industry and the vegetable growers tried to cooperate with the Federal Government. The State authorities cooperated with the Federal Government. There was untold suffering, for much of which no possible claim for reimbursement is contemplated. The bill before us specifically provides for a survey only. It has been reported favorably by the Committee on Agriculture, had the approval of the Secretary of Agriculture and of the Director of the Budget. It is for the purpose of assembling information only, and whether there is ever reimbursement or not, the Federal Government should assemble this information.

There were various types of losses:

First. Actual destruction of fruit in quarantine areas.

Second. Injuries to trees by high-powered poisonous spray.

Third. Severe rules and regulations designed to prevent the spread of infestation, and the requirement of processing fruit, curtailing of shipping seasons, and the areas to which shipments might be made.

Fourth. The actual destruction of fruit in zones other than the first zone, in those cases where the Federal Department of Agriculture had designated certain fruits and vegetables as host plants and later determined that they were not host plants.

For the information of the Members of the House I will state that a host plant was one in which it was thought that the fly would propagate, and the Federal Department of Agriculture made a list embracing a great number of

different fruits and vegetables as host plants. Subsequently, it was determined that many of these were not host plants. As a simple illustration: Cowpeas and pepper were first thought to be host plants, and farmers were required to plow up these particular kind of crops. When it was determined they were not host plants it was too late to plant that season. I am not asking the Federal Government to take snap judgment. I am merely asking in the interest of fair play that the people of my State who suffered that the fruit and vegetable industry of the Nation might be safe, and in which State happened to be the battleground, be given a fair hearing.

Some have ventured the thought that the campaign was carried on by the State authorities. Sober and material reflection will show to you that certainly the State of Florida would not quarantine shipments beyond its State line. The Federal Government made the quarantine regulations. We, of course, through our own police powers desired to cooperate, assisted in carrying out the Federal quarantine regulations. These facts are clearly established in the hearing on H.R. 5016 before a subcommittee of agriculture of the House of Representatives in the Seventy-third Congress and a hearing conducted by the special subcommittee of the House Committee on Appropriations acting under H.R. 139, the Seventy-first Congress, this testimony showing clearly that Dr. Newell was designated by the Federal Department of Agriculture to take charge for the Federal Government. These hearings likewise showing clearly that the designation of host plants was made by the Federal Department of Agriculture, and included among those and many others green beans, eggplants, apples, pumpkins, cucumbers, squashes, cantaloups, strawberries, blackberries, and so forth, many of which were later determined not to be host plants, and from which you can readily see that we were fighting not alone to protect our own industry but to protect fruits and vegetables that do not even grow in Florida, because an examination of the list will also show apples, pomegranates, and cherries, which are not grown in our State at all.

I do not want to say too much, but do want to invite your attention to the hardships worked upon the people of my State for the benefit of the entire Nation. Mistakes were made naturally in the wild frenzy to protect agriculture. Experimentation had to be carried on, but we feel that fairness and justice entitle us to have the Federal Government definitely make a survey to determine what losses, if any, were due to the mistake of the Federal Government. The hearings clearly show that quarantine regulations were promulgated by the Federal Government.

If there be in the mind of any Member of this House any particular question, I would appreciate it if he will take the matter up with me. It is my intention to send a copy of this statement to each of my colleagues during the vacation period in order that they may clearly familiarize themselves with this meritorious bill.

The people of my State suffered. The small farmers, feeling that the Federal Government would treat them right, submitted to great hardships, and I do not exaggerate when I state that in many instances such submission practically meant starvation to those affected. The larger growers likewise cooperated and in many instances the losses incurred in that season caused the business failures of many otherwise prosperous growers.

I sincerely trust that my colleagues may join me in passing this bill.

**A REVIEW OF SERVICE RENDERED**

Mr. ABERNETHY. Mr. Speaker, at the end of my present term I shall retire from Congress after more than 12 years of service. During those years it has been my pleasure to serve the people of my district, my State, and Nation. I have tried to be an efficient Congressman and to answer every call made upon me. At no time during those years of service have I ever been sparing of myself. Day or night I have worked hard in the interest of my constituents. Those long years of overwork brought on a period of ill health, but in the few months I was away from active

duty my district did not suffer for want of attention and at all times I have kept in constant touch with the affairs of my district. The fact that I overworked myself in the interest of my district and became ill for a short period of time was made a political issue against me in the last campaign, and set up certain conditions that succeeded in encompassing my defeat.

Favorite-son candidates were encouraged to run against me from several counties in my congressional district, thus cutting into my strength. Many friends all over the district have written me stating that they had cast complimentary votes for their local candidates, fully intending to support me in the second primary. Furthermore, I did not have sufficient money to perfect an extensive and militant organization which was necessary to overcome the false rumors which had been circulated over the district in connection with the condition of my health. The opposition came to me at a time when I was in the midst of one of the most important sessions in the history of our Nation. My duty required me to stay in Washington, and I was unable to take the time to make an active campaign in behalf of my candidacy. These are just some of the circumstances which prevented me from entering the second primary. Illness and financial reverses had made such drains on me, I was unable to match the huge sums of money spent against me in the primary. Conditions arose in certain counties in my district in which many hundreds of illegal votes were cast against me, and which would have no doubt justified a contest. Many friends insisted on my filing a contest. This I did not care to do, as I had more interest in the welfare of my party and preserving harmony than I did in my own personal interests.

I have given the best years of my life in the service of my district. My defeat can mean no bitterness for me for I have had the pleasure of befriending many people and those thousands who, out of sheer gratitude and friendship, came to the polls and cast their vote for me on June 2 are a sufficient reward for anything I may have done. After all, the greatest reward in public office is not financial, but is the satisfaction of giving your best and of being of help to friends and constituents.

Looking back in retrospect I can take a pardonable pride in my record. I have accomplished many things for my district. The development of the inland waterways in my district has been aided by my efforts. I have befriended many veterans in my district and have at all times taken an active interest in the welfare of the soldiers who offered their all in the service of their country.

I have secured many appropriations for my district, including a beautiful new post office in my home city of New Bern, an addition to the post office at Goldsboro, a national military park at Moore's Creek Battle Ground, a new post office at Mount Olive, and a memorial to William Rufus King at Clinton. I secured from the Government historic Fort Macon and an adjoining tract of land for the purpose of a State park, which is now being developed and improved by the Civilian Conservation Corps Camp which I helped to establish there. I made a recommendation to the Forestry Service of the Department of Agriculture some time ago for the location of a purchase unit or area, either in Pamlico, Craven, or Carteret County. I am glad to say there is a purchase unit organized in the Croatan area of Craven County. There are many other things I have accomplished for my district which I do not have the time to detail now. Besides these I have been constantly doing individual services for constituents in my district.

A particular pleasure to me is the fact that the creation of the port terminal at Morehead City has become a reality. I have been actively interested in the port developments of eastern North Carolina for more than 30 years and have actively worked to that end. In 1927 I drew an act which passed through our legislature to establish a port commission in Carteret County and Hon. W. H. Bell, then representative in the State legislature from Carteret County, secured the passage of this act. This act will be found in the Public, Local, and Private Laws, North Carolina, session 1927, chap-

ter 245. The creation of the port commission has made possible the realization of the development of the port at Morehead City and an impartial review of the records will disclose that I contributed my part toward this work. A short while ago I had the pleasure of conferring personally with President Roosevelt in behalf of the port terminal at Morehead City and I believe that my efforts in behalf of the port have been of assistance in securing this final approval. Details of the creation of the port terminal commission are set forth in a speech of mine delivered in the House of Representatives in the CONGRESSIONAL RECORD of June 27, 1929, page 3441.

I conducted my campaign on a high plane. I have said no unkind or harmful word against anyone. Much abuse and false rumors were used against me in a concerted effort to cause my defeat. I have known too many reverses in past years to be disheartened or discouraged by a temporary setback. I shall continue to maintain an active and militant interest in behalf of my district, State, and Nation. No one can take from me the pleasure I have had in serving my district for more than 12 years. It has been my privilege to have been a Member of the Seventy-third Congress, which will rank as one of the greatest sessions in our Nation's history and which gave birth to the recovery program of our great President. Throughout our entire country's history times of turmoil, strife, and depression have brought forth great men—Washington, Lincoln, Wilson—and now we have Franklin Delano Roosevelt, who I believe will rank among our greatest Presidents.

His interest in the welfare of the average man and woman, his unselfish ideals and his whole-hearted and inspired leadership have brought us out of a period of chaos and have opened a way to a brighter future for us all. To have been able to serve under this great President and to contribute my part toward his recovery program and to receive from him personally his appreciation and thanks, are sufficient reward for any efforts I may have made.

The friendships I have made in Congress I shall always cherish. My colleagues have always been most helpful and considerate. They are a wonderful set of fellows and it makes my heart heavy to think of leaving them. The personnel of this House, including the clerk and his assistants, have been most helpful at all times. Hon. HENRY T. RAINEY, our Speaker, and Hon. JOSEPH W. BYRNS, our Democratic leader, have been my personal friends. I wish for the leadership of this House and for all my colleagues, both Republicans and Democrats, health, happiness, and success.

To all my constituents in my district whose patience, cooperation, and friendship through the years have made possible whatever success I may have had I wish for them every good thing for the days to come and may God bless them every one.

THE FEDERAL GOVERNMENT MUST AID THE SCHOOLS IN THEIR  
PRESENT EMERGENCY

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address to be delivered by me before the Ohio State Teachers Association at Cedar Point on June 25, 1934.

Mr. Chairman, ladies, and gentlemen, it is an honor and a responsibility to address the teachers of Ohio in these days when the winds of adversity are blowing hard.

The American public-school system has been the inspiration of many a song and story and of much fervid eloquence. It has been the theme of many able discourses. The advantages of an education have been impressed upon our youth by reference to the accomplishments of our learned men and women. The field of education is like a field of wheat—there is the preparation of the ground and there is the gathering of the golden grain. The public-school system has its work of preparation and its harvest season. In the past we have been much engrossed with the harvest that the public-school system produced and have not brought the preparation so much to the front. We aimed at superior scholarship, greater technic, new methods of teaching, more selective curricula, and other similar improvements that would tend to popularize the school system. But today school authorities are much more alarmed about the preparatory season than about the harvest season. "What shall the harvest be" is not so important as whether the planting of the seed will be accomplished. We are taught that the fruits of the spirit excel those of the material world. But out of it all it seems that money is the great barometer by which most of our public as well as our personal

activities are measured. The lack of money has caused more misery and anguish to more people in the past few years than we can easily comprehend. Debt has stalked across our land and his course is marked by innumerable bankruptcies, foreclosures, suicides, and other misfortunes. Few people or industries have escaped his withering touch. This pernicious financial anemia that we call "debt" is sapping the lifeblood of the Nation also.

Our school system that has been such a compliment to the genius of the American people is in grave danger. It is on trial. Yes; our great Republic is also on trial.

The question is whether the Government can by extending its credit assume the burden of the heavy load of debt that the people, because of their failure to pay their taxes, have transferred to the shoulders of the States and municipalities. The perpetuity of the Republic depends quite as much upon the capacity of the people to pay their taxes as it does upon their patriotism. The Congress that just adjourned voted an additional debt of about seven thousand millions and extended the national credit by guaranteeing about ten thousand millions in additional obligations. Today the national debt, direct and indirect, is greater than it ever was in the history of the Republic. Not in the history of the world has any nation taken on such financial obligations in peace times as our Republic has taken in the past 15 months—and all this in the face of constantly decreasing values. If the appraisals of the property of the country were increasing, an increasing public debt could be assimilated. But with appraisals of 30 to 50 percent, the public debt of the Nation and the various political subdivisions is fast approximating the appraisal value of the Nation's property. These public debts added to the private debts will exceed the appraisal value of all the property in the country.

The real importance of our public schools and of public education has never been appreciated so much as it is now when we are confronted with the danger of serious curtailment and possible complete failure of the system. Our public-school system is distinctively an American institution, and is a vital part of the Nation itself. Under our system of government however, it was not intended that the Federal Government should assume the responsibility of financing or managing the public schools. The basis of our form of government is the State. The State has assumed the full responsibility for the financing and management of the schools. It has divided this responsibility with the counties and municipalities. Failure by the State to discharge this responsibility is a condition precedent to Federal assistance, whether financial or otherwise. This failure must reach the proportions of an emergency.

How stands education in this respect? Is there such an emergency as would justify the Federal Government in taking an interest in the matter? Great changes have taken place in the past few years in the attitude of the people toward the activities of the Government as they relate to the people. The pioneer asked little from his Government. He took his family and his belongings and marched forth to carve for himself a home in the western forests. He carried the banner of progress and development for his country and secured nothing in return except a home and a right to be an American citizen. But today nearly every man in every industry and every institution has dropped his working tools and is looking toward Washington, whence cometh his help.

But must an emergency be one which is free from the fault of anyone or any group before it can be considered such an emergency as will admit of Federal action? No. An emergency is a factual condition and not an ethical one. If an emergency exists, then the burden of responsibility shifts.

Does an emergency exist? I think there is not much doubt about it. Is the emergency so great as to warrant Federal assistance? I think there is no doubt about it. While this condition might have been averted, that does not alter the existence of the emergency. Admitting the emergency and the duty of the Government to assist, how shall this be done? This raises several serious questions. Shall the Government make a gift of money or shall it loan the money to the States, since this is a primary duty of the State to provide educational facilities? And shall this money, whether a gift or a loan, come from Emergency Relief Funds or from statutory enactments? Lack of finances is not a new thing in Ohio school situations. All the lack of funds in Ohio does not come from the present depression.

In 1923 and when I was a member of the Ohio Senate we who were from the poorer sections of the State where tax valuations were low, but where the maximum levies were made, were confronted with the fact that our tax revenues were not sufficient to operate our schools, even though we allotted more than one-half of our tax revenues to school purposes. At that time I introduced a bill providing for an appropriation of \$1,250,000 to be applied toward equalizing school advantages so that the weak districts might have their schools open and the teachers paid. This bill passed. This was the first legislation of its kind. From that time forward similar provisions have been made for weak districts. I also introduced a bill in the Ohio Senate which became a law and which provided for a system of equalization which is the basis of the present system. A few days ago in Washington a great school authority was speaking favorably of our Ohio school equalization system and it was a pleasure for me to remind him of my activity as a pioneer in school-relief legislation in Ohio. At that time I coined the slogan, "We must educate the children where we find them, and tax wealth where we find it." Many other States have had weak districts which required State aid. When the counties failed the State responded.

During the last session of Congress several bills were introduced asking Federal aid for the schools of the country—none of these

bills were passed. Extensive and interesting public hearings were held before the Committee on Education. The National Committee for Federal Emergency Aid for Education presented its case in a very intelligent manner with many persuasive facts and much convincing data seeking to show the necessity for immediate action by way of the enactment of laws carrying approximately \$150,000,000 in Federal aid. These hearings are printed, and I would recommend them to you as being well worth your careful study. But Congress adjourned without meeting the request of this committee. Congress has many disappointing ways about it. This committee, on the other hand, being active school men, will not be halted by this disappointment. They will continue their efforts for practically every State and every locality is handicapped in one way or another.

Millions of delinquent taxes appear on the tax books of every taxing district of the country. Approximately \$50,000,000 would be required to pay the unpaid salaries of teachers. Approximately 50,000 fewer teachers were employed in 1934 than in 1933, and this in spite of the fact that the school population increased about 200,000 annually. Teachers' salaries have dropped until in many States the average salary is less than \$50 per month for 6 or 7 months per year. In many sections schools failed to open the past school year. Appraisal of property has been reduced in practically every State. In Ohio appraisals were reduced from thirteen and one-half billions to nine billions.

All these facts prove that an emergency exists and that only the Federal Government can reach it. The National Committee for Federal Emergency Aid for Education prefers the enactment of legislation. The President having refused to accept the plan providing for direct legislation favored a plan that would provide money from the general relief funds. Mr. Hopkins, the Federal Relief Director, has indicated his willingness to set aside money from the general relief funds. The deficiency appropriation bill, passed the last night of the congressional session just closed, carried an item of forty-eight millions for schools. It is claimed that this will not be enough. No doubt more will be made available from the relief funds when need is shown. Just a few days ago—June 14, I think—the Federal Government paid the State of Ohio \$497,619. This was to apply toward paying salaries of teachers in rural districts and in municipalities of 5,000 population or less. This cleared up all deficiencies in 71 counties and in 493 districts, 430 of which are in State-aid districts.

The Douglass bill which provides for an earmarking of \$75,000,000 of general relief funds for schools was reported out favorably by the Committee on Education of the House of Representatives, and was on the calendar when Congress adjourned. For some time before adjournment it was evident that no legislation providing direct aid to public schools would be enacted by the Congress then in session. The subject was well considered by the committee but the opposition of the President was an obstacle difficult to overcome.

What of the future? There is no question that emergency relief will be granted for the coming year. The amount will depend upon the total amount for distribution and the need and the fervor of those demanding it.

Whether the Seventy-fourth Congress which will convene next January will favor direct legislation is uncertain. There are many who will oppose any attempt by the Federal Government to supplant the States in the control of the public schools. They will not oppose emergency relief but they are opposed to extending the Federal powers. The determining factor will be the wishes of the President, if a majority of Congress will be of the same political party with the President.

It might be interesting to recount the growth of public sentiment with reference to Federal aid. There is no doubt that in a republic public sentiment is a thing that will grow and that it is the most potent force in government.

When the depression first set in and Federal aid was first considered, public sentiment was opposed to it. It was claimed that it smacked of the British dole. Mr. Hoover fought valiantly against it. Every effort was made to find some plan whereby the Government could aid without aiding directly. The Red Cross was encouraged to extend its field of activity. Local charities were encouraged. The President was sympathetic but hesitated to establish a precedent.

The Federal Farm Board had about 275,000,000 bushels of surplus wheat. This belonged to the Government. I conceived the idea that this wheat could be distributed through the Red Cross to be ground into flour for the needy. I introduced the first bill providing for the transfer of 50,000,000 bushels of this wheat to the Red Cross. The House of Representatives was Democratic and of course my bill was not passed, but a similar bill was passed bearing the name of a Democrat. This was followed by other bills until all the wheat was thus used. This was followed by legislation advancing \$200,000,000 to the several States for road improvements and public improvements, but this was to be repaid or charged against the future allotments for road purposes which the Government had been making for several years. This emboldened the Government, when \$300,000,000 more was voted under more liberal terms. Then came the P.W.A. and the C.W.A., when all restraint was removed and when the sky was the limit for appropriations.

To my mind aid for the schools is more essential than aid to many that have received it. The public schools are so dear to the American people that they will sanction any reasonable efforts to keep them open. Whether aid from the emergency relief will be the best course or whether aid by special legislation will be the best course is now difficult for me to decide in view



of Presidential opposition. Should the depression lift it is reasonable to suppose that emergency relief will be adequate. Should it continue I think the welfare of the school children will have such an appeal that the President would be inclined to change his course if it was inimical to the best interest of the children of the Nation. My experience as a teacher and in the common schools, high schools, and as a university student, makes it easy for me to sympathize with any legislative movement that is for the best interests of the schools and the school children. My record in the Ohio Senate and in the United States House of Representatives has been one of sympathy with your programs as will be attested by those who have followed school legislation in these bodies. I feel that the great cause in which your lives are centered and on which your hearts are set will not be permitted to suffer unduly and that if legislation providing Federal aid appears to be the best and wisest course when Congress convenes again, such legislation should be attempted. In the meantime let us hope that the generous hand of Uncle Sam will bring to this great cause such relief as is just, considering that justice should always precede generosity.

#### THE NEW DEAL AND THE OLD DEAL

Mr. COCHRAN of Missouri. Mr. Speaker, it is my precious privilege to have had a part in the work of inaugurating President Roosevelt's new deal for the American people and I covet the still greater honor and gratification of having a share in its complete realization.

The people of this country can testify to the benefits which have come from President Roosevelt's sympathy and striving for the reemployment of the millions who were jobless less than 14 months ago, for the farmers who were in poverty in the very midst of plenty, for the little merchant and dealer who faced, or actually suffered, bankruptcy and ruin. Not fewer than 25,000,000 men, women, and children were in want when President Roosevelt took charge of the Government a year ago last March. Their misery was President Roosevelt's pathetic inheritance from Hoover. I do not wish, nor do I intend to be unfair to President Hoover. I do not contend, therefore, that he should be blamed for causing the depression, but I charge him and the eastern element of the Republican party with responsibility for the continuance and aggravation of the depression. Mr. Hoover not merely omitted but he positively and repeatedly refused to take any adequate measures for the employment of those millions disemployed by the collapse of industry, or for the relief of lesser business, or for the betterment of conditions on the farms. He would not consent to a program of public works. Indeed, he opposed and denounced the suggestion. He was equally hostile to the various proposals for the assistance to small business and to agriculture. In this opposition he was abetted by other Republicans who should have understood and attempted to relieve the plight of wage-workers, farmers, and small business men. Instead, Mr. Hoover and his helpers held and practiced the creed that those at the top—the powerful banks and corporations of Wall Street—should be aided first and most, so that those below, including the millions without work or means might, somehow, sometime eat the crumbs that fell from the tables of those favorites.

If Mr. Hoover sincerely believed that the prosperity, or the bare existence, of the masses could best be assured by enriching those already possessing all the riches, then his heart must be acquitted at the expense of his head. If this belief of his was not bad ethics it certainly produced a terrible calamity. After 4 years of this false philosophy, the United States was closer to wreck and ruin—closer to a revolt of the people—than at any other juncture of its history since the Civil War. Only the election of Franklin D. Roosevelt, I am firmly convinced, prevented a subversion of our Government.

President Roosevelt has justified the confidence with which a great majority of the American people received him as a candidate and with which they have continued to regard him as their President. His first major act after his inauguration was the formulation of the emergency banking bill, designed to halt the closing of banks and the loss or impounding of the people's last remaining capital. That bill was proposed, passed, and signed in 7 hours. At once there was a new birth of confidence throughout the country. That confidence begot courage. The people were inspired. Their hopes mounted still higher as they saw the President pro-

pose to Congress, one after another, a whole series of constructive measures that have reversed the trend.

Whatever may be my lot in the future, it will ever be one of my proud recollections that I was a Member of the Seventy-third Congress—the Congress to which President Roosevelt confided the legislative labors of national recovery. That Congress was Democratic in respect to a majority of its membership and its leadership. It was loyal to the President and, therefore, to the people. It gave him complete and cordial cooperation. It shared with him the credit of halting the depression and reviving business and industry.

Time does not permit me to recount in any considerable detail the remedial and restorative legislation enacted by the Seventy-third Congress, which adjourned only a few hours ago.

What I deem first in importance is the National Recovery Act, for its benefits have thus far been the most wide-spread. That act has ended child labor and given new charter to little business and new recognition to the worker. No one contends the N.R.A. has proved to be perfect, but every class of those dependent on industry—employees as well as employers—concede its immense usefulness in the present and its still greater value in the future.

Next in significance as a stimulus, not only to agriculture but also to general business, was the legislation given to the farmer. Several great and salutary agencies were created. The Agricultural Adjustment Administration provided for direct relief to agriculturists of all kinds and sections. It arranged for the refinancing of mortgages on farms, with interest at the rate of 4½ percent, through the issuance of \$2,000,000,000 in Federal bonds. It authorized a program of inflation involving the expansion of Federal Reserve credits by as much as \$3,000,000,000.

Then followed the Farm Credit Act of 1933, the Farm Mortgage Refinancing Act of last January, the Crop Loan Act of February 1934, and the crop-loan resolution appropriating \$40,000,000 for advances to farmers for production and harvesting during this year.

These were not all the help the Seventy-third Congress gave to agriculture. In addition to these, it passed the Jones-Connally Farm Relief Act, the Jones-Costigan Sugar Act, the cotton-cattle-dairy-relief resolution, the Farm Mortgage Foreclosure Act, and the Homesteaders' Relief Act.

One of the most beneficent of the measures given to the people was that creating and financing the Home Owners' Loan Corporation. This agency has a capital of \$2,000,000,000 to lend to those whose homes have been put in jeopardy by the depression. Loans equal to 80 percent of the value of the property, not exceeding \$14,000, are authorized.

I am sure you will remember how I fought for 2 years for the guaranty of home-loan bonds—we guaranteed the bonds this year. Already many thousands of our people have saved their homes by recourse to this Federal assistance.

Labor also was recognized in these enactments of the Seventy-third Congress. Aside from the provisions of the National Industrial Recovery Act, this Congress passed the bill establishing a national employment system to cooperate with the States and appropriated for its maintenance one and a half millions for the first year and \$4,000,000 annually thereafter. It passed also an act appropriating \$300,000,000 for the construction of highways in 1935, and one hundred millions for construction in 1936, and providing certain other funds to be expended in partnership with the several States.

In the last days of the final session there was enacted the bill prohibiting and penalizing the practice of obliging workers employed on Federal contracts to return to their employers part of their pay, thus compelling them to accept compensation below that fixed in the scales. After that came the bill authorizing the President to establish boards which shall investigate and settle disputes arising under section 7-A of the National Recovery Act.

So much for legislation of general and permanent character.

Heed was given also to the emergencies that existed, and especially to human suffering. The Wagner-Lewis Act of 1933 made \$500,000,000 available to the Federal Emergency Relief Administration. In the act of February 1934 nine hundred and fifty millions additional was allocated until June 1935. These funds not only saved many thousands from suffering and death but at the same time put money in circulation and increased consumption, thus stimulating general business.

Other emergencies were met by this Congress in an act appropriating about a billion and a half dollars for various needs. This act provided \$899,000,000 for relief and public works; five hundred and twenty-five millions for the benefit of those in the drought-stricken regions of the country, and eighty-five millions for the building of roads. This same bill authorizes the Emergency Relief and Public Works Administrations to draw on the Reconstruction Finance Corporation for an additional billion for more public work to relieve the unemployed.

I have cited only the major measures; those which I think were at once the most imperative and humane, and which undoubtedly have done most to accomplish what was of first importance—restoration of public confidence and morale. There are other most useful measures on the list, but to these I shall not advert on this occasion.

I voted for every one of these bills; for every one of these legislative efforts to save people from suffering; to prevent revolution; to assure recovery. I opposed every measure that President Roosevelt opposed. I not only have no apologies for my record in regard to these bills, but I have a deep consolation in the remembrance that my vote for these measures of restoration contributed to their enactment. I had then and I still have firm faith in President Roosevelt—in his masterful ability—in his resolve to make lawful and successful use of the powers of government in restoring our people to prosperity and happiness. I believe in the new deal, and I ask no higher privilege than that of having a part in giving it general and lasting application. I am anxious to continue to support the President and to further his policies.

Already we have heard cries of "communism" at the mere mention of these measures I have discussed here this evening. It is communism, we are told, to feed the hungry, to give work to the jobless, to extend credit to the farmer, to stabilize prices for the merchant. Such acts of Congress, we are informed, are a perversion of our political system. Certain of the beneficiaries of the old order predict that if the new deal shall be perpetuated we shall have socialism. These opponents of the President need to be told that these measures not only do not imperil the Government—they actually have saved it. The stuidity of these obstructionists in causing the conditions and dangers the country has been experiencing in the last 4 years is only exceeded by their obtuseness at a time when President Roosevelt is keeping the Government safe for them as well as for all the rest of us.

There is but one kind of communism which we need to fear. It has had a great responsibility for what happened from 1929 to 1933. If it is not curbed, it will be answerable for still worse evils hereafter. I mean the system that Grover Cleveland 40 years ago called a "communism of pelf." Cleveland's prediction that this "communism of pelf" would sometimes, if left unchecked, make "private enterprise a mere appurtenance to a vast machine" had been fulfilled in 1929.

The Insulls and Mitchells and Harrimans were in control. They were in high favor at Washington. The Government was doing no wrong and courting no disaster when it served their interests. You will recall that when, in December 1929, it was apparent to most observers that the disaster of the previous October had wrought a terrible damage to the whole foundation and superstructure of business, Mr. Hoover called together all—or nearly all—the captains of industry. For the most part they were the men who gave money and momentum to his campaign when he was telling us that the poorhouse was soon to vanish and two chickens were about to appear in every pot.

Mr. Insull was in that gathering at the White House. He also held the view that conditions were fundamentally sound. He was so optimistic, indeed, that a few weeks later he floated a new—and enormous—issue of worthless paper in exchange for the earnings of workers and the surpluses of little-business men. About the same time Mr. Hoover began to suspect the presence of prosperity "just around the corner", but he did nothing to coax it into sight.

The men whom Mr. Hoover consulted at the White House that December, and whose advice he presumably followed from then until he went into retirement, were those who deprecated every suggestion that the Government owed to the people and to itself the duty of taking some steps to prevent the depression from becoming downright destruction. They feared communism if the Government did anything to help the jobless; to feed the famishing. It was not communistic of the Government to give them tariffs according to their own specifications; to spend millions every year in quest of foreign markets for their goods; to lend hundreds of millions to their railroads; to let them manipulate the public credit for their own selfish, and sometimes criminal, purposes. No; it was only when the benefits of governmental intervention were sought for the poor and helpless that there were cries of "dole" and "communism."

You are hearing, and will continue to hear, those cries during the coming campaign. Mellon, Insull, Harriman, and Mitchell will perhaps be silent, for they are somewhat preoccupied with legal matters just now, but their proxies will be very vocal. Fortunately, those croakings are no longer capable of causing fear. The people have learned as one lesson of this terrible quadrennium of suffering that the thing which these exploiters condemn is pretty certain to be honest and worthy. Their clamor against President Roosevelt and his program will receive no ear from the average man or woman. Most of us remember what happened under Hoover when he was taking their advice, and we are quite well aware of the change for the better that has come with Roosevelt.

If these groups and individuals could influence popular opinion sufficiently, they would elect a Congress that would obstruct the President at every turn and forestall every further proposal of his to enact measures of relief for workers, farmers, and small business men. They have made a beginning by gaining control of the Republican National Committee and the Republican congressional campaign committee. They doubtless will supply money for the expenses of such congressional candidates as are willing to pledge obedience to their commands. Whether or not the average man and woman is conscious of the fact, there is no doubt that these exploiters are fully aware of the truth that this campaign and the next will be more than a struggle between Democrats and Republicans. They know that it is a conflict to decide whether the new deal or the old order is to triumph and endure in the United States. The old order was their order; the new deal is the charter of economic liberty and security for the average man and woman.

If they shall have Congress in their keeping next winter, as they now have the command of the Republican committees, they will make the clock stand still if they cannot indeed turn it back to the old days and the old ways. With Congress under their domination, there would be no more appropriations for public works, with their need for men and materials; there would be no loans to farmers; no help through the N.R.A. for little business; no relief for those otherwise without food or shelter; no care or concern for those millions who recently were taken care of by the Government. The President would be rendered helpless. And beyond that I dislike to vision, for, if I should look even a little way past that point, I fear I should see the stupidity which brought the depression bringing the thousand times greater disaster of revolution.

There is one way in which to guarantee the continuance of the work of recovery begun by President Roosevelt. That is to nominate and elect men and women who accept and advocate his policies.

We are at a critical juncture. Retreat—even hesitation—will cost us all we have gained and endanger the future.

We must go forward with the President and to the goal he has set. The reward of this loyalty to him and devotion to his ideals and objectives will be the achievement of a larger measure of social justice than the world has ever known. We shall be repaid by the insurance of workers against the consequences of unemployment; of the average man and woman against the terrors of losing the home; of the aged against destitution which haunts their years of feebleness.

I pledge my support to the President and to all these objectives. President Roosevelt can count on my voice for every item of his program. I am sure the people will uphold the President, not for his sake alone but for the sake of this country and its 125,000,000 souls.

#### A NEW DEAL FOR RAILROAD WORKERS

**Mr. TRUAX.** Mr. Speaker, for many years railroad workers have been fighting for a just and square deal. Always in the past their fight has been a losing one and most emphatically so since the World War, which period has witnessed huge consolidations and vast mergers of the railroads by a few bloated millionaires.

Outstanding among these mushroom railroad magnates are the Van Sweringen brothers, of Cleveland, Ohio. Recent disclosures by the Department of Justice investigators in the collapse of the Union Trust Co. of Cleveland revealed that these railroad kings obtained their huge fortunes by swindling stockholders and depositors in the Union Trust and in the Alleghany Corporation; that they borrowed immense sums of money from the house of Morgan and that the choice collateral of the Union Trust Co. was plundered to buy Liberty bonds to the extent of \$10,000,000 which were retained by Morgan as collateral for the Van Sweringen loan. Leave it to old John Pirate—he will always get his even though widows and orphans are robbed of their nickels and pennies.

This was the insufferable condition of blatant plutocratic rule under which railroad workers labored in the past. The railroad czars adopted the nefarious policy of "we own the right-of-way; we own the rolling stock; we own the watered stock; we own the workingman." They borrowed millions from the Government without reducing the salaries of their \$100,000-a-year officials. They kept going deeper into the red because they were too greedy and stubborn to reduce rates or to install modern equipment and conveniences.

All this has been changed during the Roosevelt administration. Railroads have been forced to humanize their relations with their employees. Not willingly did they surrender to the new order of things. Unwillingly they will be forced to accept the new legislation enacted into law on the last day of the session. I refer to the railroad pension bill and the Railway Act amendments, first initiated by a petition signed by 145 Members discharging the committee from further consideration of the bill.

I am proud to state that my name was on that petition the same as it was on all other petitions that would benefit labor, farmers, or war veterans. The most credit for the passage of these two bills should go to my colleague "Fighting Bob" CROSSER, of Cleveland, and his courageous young assistant, Hon. JOSEPH P. MONAGHAN, from Montana. I am pleased to append a letter from Congressman MONAGHAN expressing appreciation for my humble efforts in the fight for the railroad bills.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., June 1934.

Mr. CHARLES V. TRUAX, M.C.,  
House Office Building, Washington, D.C.

MY DEAR CHARLIE: I take this means of expressing to you appreciation for your signing the petition declaring a policy against adjournment until disposal of pending remedial legislation.

Your so doing played no small part, I assure you, in the victory which was achieved yesterday when the House passed the railroad pension bill and the Railway Labor Act amendments.

With every wish for your future success and assurance of my high esteem, I am,

Sincerely yours,

JOE.

P.S.—Mr. CROSSER said that your action will be brought to the attention of those vitally interested in the success of the measures he sponsored.

Mr. Speaker, having been a workingman myself all my life, my sympathies quite naturally are with the millions of toilers who have to somehow, some way, earn a living for themselves and their families. In this crisis, in this depression, in this panic, which has bankrupted millions of farmers, small-business men and merchants, and which 4 years ago caused 15,000,000 men to walk the streets for a job when no job was to be found, when millions of frail, underfed mothers and children humbly bowed their heads in prayer before retiring and prayed that the morrow might bring forth something better, something different, a job or an income, I have carefully weighed and analyzed every piece of legislation that has been introduced in the House of Representatives.

In a great majority of the legislation thus considered and acted upon there were always two sides to consider; the one side was the side of the wageworkers, the struggling masses, who create all of the wealth and in the end pay all of the taxes. The other side is the side of the idle holders of idle capital, the money kings, the Sir Francis Drakes, Captain Kidds, and Blue Beards of Wall Street as represented by Morgan & Co., Kuhn, Loeb & Co., the Rockefellers, the Harrimans, the Mellons, who do the least in creative or constructive work and collect the most from the toiling masses.

This infamous band of blue-blooded millionaires have deliberately swindled thousands of poor working people out of the little homes which their toil had paid for and driven them forth to perish. They have ruthlessly trampled the life out of labor unions in the past, and in years gone by across the doors of their mills, factories, and shops was written in letters of neiter fire, "Abandon hope, all ye who enter here."

Nearly every dollar of their millions has been coined from the lifeblood of labor. They might well be called "financial cannibals." The term is tame. It were like calling Medusa dreadful, Primo Carnera uncomely, or the devil displeasing. It would require a Mirabeau to express in a single phrase the character of men so graceless in greed, so insensate to all the nobler promptings of the soul. Hence I determine as best I can which legislation is best for the wageworkers and poorest for the blue-blooded capitalists, then I raise my voice and cast my vote on the side of the workingman, and keep on "raisin" and "castin" until hell freezes over.

If in all of the 197 roll calls in the first and second sessions of the Seventy-third Congress, I once cast a single vote that was detrimental to labor, I should be pleased to have it pointed out so that such a mistake will not occur again. A few days ago it was my privilege and honor to address the Central Labor Union of Washington, D.C. They said I made a forceful talk which was enthusiastically received by labor. They also said that—

What is regarded as one of the most brilliant addresses by an invited guest at the Washington Central Labor Union was delivered at the meeting this week by Hon. CHARLES V. TRUAX, Congressman at large from the State of Ohio.

Congressman TRUAX was reported by delegates and members of the legislative committee to have proven one of the most consistent as well as a most able friend of wage earners in the United States House of Representatives.

In his address Monday evening, Congressman TRUAX reviewed his association with organized labor, since childhood, when his father was a union carpenter; his work as a farmer and his activities in the interest of farmers. He was director of agriculture in Ohio for several years before being sent to Congress and it is now reported that citizens of his State are contemplating sending him to the United States Senate this year.

He commended President Roosevelt and spoke favorably of the pending Wagner labor-disputes bill and the Connery 30-hour week bill. Congressman TRUAX, during the present session of Congress, introduced a bill to declare a moratorium on loans on homes and farms, with provisions for reduced interest rates. He also introduced a bill which would permit the Government to make loans direct to individuals, including wage earners, in time of need. He has consistently fought for basic farm prices that would insure a living income for farmers, and eventually the 5-day work week and other progressive measures as sponsored by organized labor, believing that workers on the farms and workers in the factories and elsewhere have similar interests.

Congressman TRUAX has, according to E. J. Roche, of the Central Labor Union legislative committee, signed every petition in Congress in behalf of labor and has voted favorably on every bill in which wage earners have been concerned.

The speech was enthusiastically applauded throughout and, at its conclusion, a unanimous standing vote of thanks was extended to Congressman TRUAX in appreciation for his splendid address and his loyalty to the interests of those who toil for a living.

WORK OF THE WAYS AND MEANS COMMITTEE DURING THE SEVENTY-THIRD CONGRESS

Mr. DOUGHTON. Mr. Speaker, during the special and regular sessions of this Congress the Committee on Ways and Means has considered and reported more bills and resolutions of a major character to the House than in any like period since the World War. Many of these measures dealt with subjects other than the raising of revenue, and their enactment form a vital part of the President's recovery program.

TAXATION OF NONINTOXICATING LIQUOR

Five days after Congress was called into special session, following the inauguration of President Roosevelt, H.R. 3341 was reported to the House. This measure amended the Volstead Act and provided for the raising of revenue by the taxation of certain nonintoxicating liquors containing not more than 3.2 percent of alcohol by weight. Eight days later the same was signed by the President and became law.

EXTENSION OF GASOLINE TAX

On April 18, 1933, the committee reported H.R. 5040, to extend the gasoline tax for 1 year and to modify postage rates on mail matter. This measure also provided that the tax on electrical energy levied on the consumers under the 1932 Revenue Act should be paid by the producer instead.

NATIONAL INDUSTRIAL RECOVERY ACT

On May 23, 1933, the national industrial recovery bill was reported to the House, the provisions of which declared it to be the policy of Congress, in the then existing national emergency of wide-spread unemployment and disorganization of industry, to encourage national industrial recovery, to foster fair competition, and provide for the construction of useful public works. This measure formed the very foundation of many of the important recovery activities of the administration. It provided for the creation of the National Recovery Administration, the Industrial Recovery Board, and the Federal Emergency Administration of Public Works.

Under the provisions of this measure codes of fair competition have been set up and provision was made that the violation of such codes should be deemed unfair competition, to be restrained by United States district courts.

One of the most important reforms brought about by the enactment of this law has been the abolition of child labor and the elimination of the sweatshop conditions existing in many of our industries. Labor has been guaranteed the right of collective bargaining, prohibition of "yellow dog" contracts, and establishment of maximum hours, minimum rates of pay, and proper working conditions.

This measure provided that the Federal Emergency Administration for Public Works might function for 2 years, and authorized the Administrator to prepare a program covering highways, water systems, conservation and development of natural resources, prevention of soil erosion, water power and electrical transmission development, river and harbor improvement, flood control, low-cost housing and slum clearance, and other needful improvements.

Additional taxes were levied by the provisions of this bill. An additional one-half cent was added to the gasoline tax; the capital stock and excess-profits tax; a 5 percent dividends tax, and effective January 1, 1933, it eliminated the carry-over of net-loss deductions for previous year, and also increased the consolidated corporation returns tax rate from three-fourths to 1 percent for the years 1934 and 1935, as well as extending the life of certain existing excise taxes.

AMENDMENT TO SETTLEMENT OF WAR CLAIMS ACT

House Joint Resolution 183 was also reported from the committee and enacted. This resolution extended the time in which applicants could file claim for awards made under the Settlement of War Claims Act of 1928. A similar resolution was also reported and enacted during the regular session, extending the time an additional 2 years in which to make application.

STUDY OF REVENUE LAWS

Just prior to the adjournment of the special session, the House authorized the Committee on Ways and Means as a whole or by subcommittee to make a study of the revenue laws with a view to plugging the existing loopholes whereby many were legally avoiding the payment of income taxes.

During the interval between the adjournment of the special and the convening of the regular session a subcommittee devoted weeks of intensive study and investigation to this subject. During this period the repeal of the eighteenth amendment was ratified by the required number of States, and study was also given the subject of liquor taxation, and prior to the convening of the regular session the entire committee returned to Washington and conducted hearings on liquor taxation and revenue revision.

LIQUOR TAXING ACT OF 1934

On January 3, 1934, the first day of the regular session, H.R. 6131, the liquor taxing bill, was reported to the House. This measure was enacted into law on January 11, and was designed to yield the Treasury approximately \$450,000,000 revenue during the fiscal year 1935.

AMENDMENT TO NATIONAL INDUSTRIAL RECOVERY ACT

H.R. 7599 was reported to the House on February 5, 1934. This measure amended the National Industrial Recovery Act by authorizing the President, through the Public Works Administration, to make loans to nonprofit corporations to finance or aid in financing the repair or reconstruction of homes and other properties damaged or destroyed by earthquakes, storms, floods, and other natural causes during the years 1933 and 1934.

REVENUE ACT OF 1934

After devoting several weeks of consideration to the report of the subcommittee and the evidence presented during the public hearings, H.R. 7835 was reported to the House on February 12, 1934.

In the form in which this measure was finally enacted into law it is estimated that \$417,000,000 of additional revenue would be received by the Treasury during a full year's operation of its many provisions. This measure reestablished the principle of earned income allowance and removed some of the burden on small-income taxpayers and shifted it more to those whose incomes came from "unearned sources" particularly dividends and tax-exempt securities; provided a different treatment of taxing capital gains and losses, with an estimated additional yield of \$30,000,000 annually. Repealed the bank check tax effective January 1, 1935. Removed the tax on candy and soft drinks; jewelry of \$25 value and under, as also the tax on furs valued at \$75 or less. This measure also plugged up many loopholes through which many had been avoiding payment of income taxes. Abolished the consolidated returns for all corporations except railroads, and tightened up provisions relating to reorganization of corporations. Provided for publicity of certain facts relating to each income return, including the amount of gross income and credits against net income and the total tax paid. Provided a new basis for taxing personal holding companies and reenacted the capital stock and excess-profits tax.

RECIPROCAL TRADE AGREEMENTS

H.R. 8687, to amend the Tariff Act of 1930, was reported to the House on March 17, 1934, and the same was approved by the President on June 12. Under the terms of this measure the President is authorized for a period of 3 years to negotiate trade agreements with foreign countries and to raise or lower existing tariff rates by not more than 50 percent. This measure is designed to check the rapid decline in our foreign trade and to provide the machinery whereby our country will be in a position to compete with other countries in negotiation of trade agreements and thereby bring about the expansion of our foreign markets for our surplus agricultural and industrial products.

FOREIGN-TRADE ZONES

H.R. 9322, to provide for the establishment, operation, and maintenance of foreign trade zones in the ports of entry of the United States, to encourage and expedite foreign commerce, was reported to the House on May 9, 1934. This

measure likewise has been approved by the President. It is designed to establish zones similar to those existing in other countries throughout the world, to improve our foreign trade, and to bring about improvement in customs administration. These zones will be of inestimable benefit to our shipping and domestic industries. Their establishment has long been advocated by American industry and port authorities in every section of the country.

AMENDMENT TO SECTION 601 (C) (2), REVENUE ACT OF 1932

H.R. 9234 was reported by the committee on May 17, 1934. This bill extends the exemption to malt sirup, malt extract, and liquid malt sold by the manufacturer or producer to a dealer who resells it, directly or through another dealer, to a baker or manufacturer or producer of malted milk, medicinal products, food, cereal beverages, and so forth. Under the present law some manufacturers were at a serious disadvantage in competition with manufacturers who maintained their own distributing agencies and made direct sales, thereby securing the exemption from the tax. This measure equalized the competitive situation and accords equal opportunity to all and special privilege to none.

AMENDMENT TO THE TRADING WITH THE ENEMY ACT

H.R. 4798 was reported by the committee. This measure merely extended the period of limitations with respect to claims filed with the Commissioner of Internal Revenue by the Alien Property Custodian for refund or credit for income, war-profits, or excess-profits taxes erroneously or illegally assessed or collected from a limited number of claimants whose property was in the custody and control of the Alien Property Custodian. Its enactment is a matter of good faith and simple honesty in affording these claimants their day in court, since they at no time had a right to defend themselves during the time the property was in the trusteeship of the Government.

THE SILVER PURCHASE ACT

H.R. 9745, to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, was reported by the committee on May 28, 1934. The provisions of this measure declare it to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver. This act authorized the Secretary of the Treasury to issue silver certificates and place same in actual circulation, in such denominations as he might prescribe.

This measure constitutes an important step in aid of recovery and paves the way for international cooperation in aid of general world recovery and in promoting further steps to better the means of exchange among the great trading nations. With a proper proportion of silver in our monetary stocks, we may look toward a coordinated use of that silver to check changes in the purchasing power of the dollar. The enactment of this measure will open world markets for the products of American agriculture, industry, and labor.

REGULATION OF DISTILLERIES AND RECTIFIERS

H.R. 9617, to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries, was reported to the House. This measure amended the provisions of law which have been on the statute books for more than 50 years, and will enable the Government to give closer supervision over such plants, as well as added protection against trespassers.

REGULATION OF TRAFFIC IN CONTAINERS OF DISTILLED SPIRITS

House Joint Resolution 370 to protect the revenue by regulation of the traffic in containers of distilled spirits was reported and enacted into law. This measure was designed to afford means whereby a surveillance may be had over the manufacture and use of bottles. There is at the present time a very large illicit trade in the manufacture of such containers and it is believed that an adequate control of the manufacture, sale, and distribution and possession of liquor bottles by duly qualified distillers and rectifiers, and by supervision over the principal dealers and jobbers, both in new and used bottles, will deprive the illicit distillers of the

principal means which they now employ of introducing untaxed spirits into the regular lawful channels of commerce.

Another measure designed to protect the revenue and to stamp out the illicit manufacture of distilled spirits was reported from the committee and enacted into law. House Joint Resolution 373 authorizes the Commissioner of Internal Revenue to require persons disposing of substances used in the manufacture of distilled spirits, such as corn sugar, cane sugar, and malt sugar, to make correct returns to him showing the names of persons to whom the disposition is made, the quantity disposed of, and other information in connection therewith. With such information the Commissioner will be able to determine whether taxes due on distilled spirits manufactured from such substances have been paid, and will also provide a formidable means of combating illicit distilling by enabling the Commissioner to trace such substances into the hands of the illegitimate manufacturer.

PAYMENT BY GERMANY ON AWARDS OF THE MIXED CLAIMS COMMISSION

House Joint Resolution 365, to amend the settlement of War Claims Act of 1928, was reported by the committee and passed by both the House and Senate, and is now awaiting action by the President. This resolution provided for withholding further payments to German nationals from the German special-deposit account in the Treasury, for such period or periods as the President determines Germany to be in arrears in the payments of principal and interest under the debt-funding agreement entered into between Germany and the United States on June 23, 1930.

TAXATION AND REGULATION OF FIREARMS

H.R. 9741 was reported by the committee on May 28, 1934. This bill provided for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to regulate the interstate transportation of the same. This measure will give the Department of Justice added powers to cope with the growing frequency of crimes of violence, and will be helpful in depriving the gangster of his most dangerous weapon, the machine gun.

SMUGGLED WATCHES

House Joint Resolution 322, providing for the disposition of smuggled watches, watch movements, and parts, when confiscated by the Government under the customs laws, was also passed by both the House and Senate. This resolution is designed to give protection to the domestic jeweled watch manufacturers and the legitimate importers against the destructive competition growing out of the disposition of such merchandise at public auctions. It will also discourage the smuggling of such merchandise into the commerce of the United States.

Many other important matters were considered by the committee during the session just adjourned. Extensive hearings were held on the subjects of unemployment insurance, taxation on community-property incomes, and the reduction of internal-revenue taxes on tobacco products.

TAX ON STEAMSHIP TICKETS

Mr. IGLESIAS. Mr. Speaker, I desire at this time to call attention to H.R. 9862, pending before the Ways and Means Committee, which is a highly meritorious measure. This bill is an amendment to the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the mainland from the payment of a stamp tax on steamship tickets by adding a new sentence at the end of section 442 (a) thereof to read as follows:

As used in this subdivision the term "United States" includes Puerto Rico.

The Chief of the Bureau of Insular Affairs of the War Department has prepared the following memorandum:

WASHINGTON, D.C., June 1934.

Subject: Tax on steamship tickets.

Section 442 of the United States Statutes at Large provides as follows:

"Sec. 442. Tax on steamship tickets.

"(a) Subdivision 5 of schedule A of title VIII of the Revenue Act of 1926, is amended to read as follows:

"5. Passage ticket, one way or round trip, for each passenger, sold or issued in the United States for passage by any vessel to

a port or place not in the United States, Canada, Mexico, or Cuba, if costing not exceeding \$30, \$1; costing more than \$30 and not exceeding \$60, \$3; costing more than \$60, \$5. This subdivision shall not apply to passage tickets costing \$10 or less.

"(b) Subsection (a) of this section shall take effect on the expiration of 30 days after the enactment of this act."

The following statement, as published in passenger tariffs of the American Mail Line, shows the status of this stamp tax when applied to tickets purchased for official use:

"United States Government, State, or political subdivision thereof, officials, employees, including military and naval forces, when traveling in an official capacity and their transportation is paid for by the United States Government, State, or political subdivision thereof, are exempt from paying tax on tickets issued to them. All accredited diplomatic representatives of foreign countries and members of their staff and household are also exempt from paying tax on tickets sold to them."

Schedule A-5, Regulations No. 71, relating to stamp taxes, published by the Treasury Department, Internal Revenue Act of 1926, covers the above provision.

In a memorandum for the Chief of the Bureau of Insular Affairs, dated January 4, 1934, from the Judge Advocate General, it is stated in part:

"The stamp tax thus imposed necessarily applies to passage tickets from continental ports of the United States to Puerto Rico, because the term 'United States', as used in the Revenue Act of 1928, is expressly defined by section 701 of that act to include 'only the States, the Territories of Alaska and Hawaii, and the District of Columbia' (45 Stat. 879; U.S.C.A. 26: 2701). It follows, in the opinion of this office, that the Bureau of Internal Revenue could not legally, by amendment of existing regulations, annul or forego collection of the tax on tickets to Puerto Rico."

EDWARD A. STOCKTON, Jr.,  
Assistant to Chief of Bureau.

So, you see, it is obvious that this bill, H.R. 9862, as a matter of justice and fairness, ought to be approved by this Congress.

#### THE NEW DEAL

Mr. DITTER. Mr. Speaker, the closing days of the Seventy-third Congress bring to all of us a spirit of retrospection. The platform of the Democratic Party 2 years ago, as well as the declarations of its spellbinders, provide a rather interesting contrast to the legislative course pursued since that party came into power.

With apologies to Mary Howitt, I submit the following lines:

#### THE "NEW DEAL"

"Will you walk into my parlor?" said the spider to the fly;  
Are the words of invitation of seducers ever nigh.  
The parlor and its beauties, its comforts, and its ease  
Are tendered to the innocents, their lives and rights to seize.  
The spider has his cunning, his web one cannot feel  
As skillfully and artfully he weaves a bright 'new deal.'

"Will you walk into our party?" Democrats were heard to say;  
"Our platform is a covenant; on it we mean to stay.  
Each plank accept as sold; it's short but it is true,  
The voters of the country can all expect their due.  
To farmers and to workers, to all imbued with zeal  
We promise a panacea as we weave this bright 'new deal.'

"We've a cure for every failure, our store of pills is great;  
But remember what we promise are the things which can't abate.  
Covenants are sure and sacred, party platforms must be so;  
It's a contract with the people in plain words that all may know.  
When we come into our power, whether it be woe or weal,  
By the pattern of our platform we will weave this bright 'new deal.'

So the words were glibly uttered, in convention, in debate,  
By the candidates and speakers, pledging party's future fate.  
On all issues, for all problems, Democrats declared their place,  
To entice the distressed voter in the Nation's hectic race;  
As the spider used his cunning, so the voters were to feel  
All enraptured and delighted by the web of this "new deal."

"Come into our fairy parlor, see the taxes fade away,  
Useless bureaus and commissions shall no longer hold their sway.  
Governmental costs will lessen, 25 percent at least we'll save;  
Balanced Budget, drastic savings, timid voter do be brave.  
Give to us your vote and favor, your approval and your seal,  
Watch the taxes lift and vanish in the web of this 'new deal.'

"See the beauties of our tariff, facts we'll find to make it true,  
Not one man but a commission will determine what is due.  
Free of Presidential power, rates and duties we will make;  
Shame upon the older methods made for all the workers' sake.  
Come into our party's parlor, even stay and have a meal,  
Try this tariff, sure and certain in the web of this 'new deal.'

"Oh we've other charms and pledges", as the spider snared the fly,

"A sound dollar real and staple with which you may go and buy.

To the veterans we'll be gracious, justice to them must be done.

Government must keep from business, private interests these should run;

Strengthen all the antitrust laws, these will help the common weal.

Cast your eye, oh trusting voter, on the web of this 'new deal.'

"Now we have you in the webbing, as the spider had the fly;

All the pledges and attractions will forsooth now have to die.

Debts and taxes must be increased, bureaus grow to heights unknown,

Spending billions is our hobby though the taxpayers writhe and groan.

Spend and spend, that is our slogan, never mind the pinch you feel;

Billions squandered, billions wasted, just to weave this bright 'new deal.'

"Now that you are in the webbing all our platform falls away,

Filmy theories, brain-trust notions are the order of the day;

Constitutions are resilient, made to stretch like rubber bands,

Tariffs must be made by one man. Take them from the Congress' hands.

Look to Russia, see the planning, disregard our old ideal,  
No more tariffs, mere trade treaties make the web of this 'new deal.'

"Now that you are in the webbing, promises we need not keep,  
Not our party's nor our country's; they've been cast into the deep.

Rubber dollars, what's their value? Oh, that can't be told us yet,

We must bend and stretch and pull them, so they'll cover every debt.

German marks were of this fashion; we'll inflate but we'll conceal

How much air we pump into them in the web of this 'new deal.'

"Now that you are in the webbing, you must give us all your gold;

Though you earned it, bought or mined it, it's not yours to keep and hold.

Shout your protests, cry for freedom; Tories, rebels, must give way;

You've no right to even differ with our orders or our sway.

Private rights? Oh, they have vanished under regimented wheel;  
Liberty? Oh, that we'll stifle in the web of this 'new deal.'

"Now that you are in the webbing, soldiers' rights must crumple, too.

Justice? That's a campaign promise, it will vanish as the dew.  
Cut the veteran; that's our program, we need funds for party pelf;

Democrats must have a pork barrel, to maintain and succor self.  
Soldiers, just forget our pledges, rouse your fervor and your zeal,  
Take this pittance, seek no justice, in the web of this 'new deal.'

"Now that you are in the webbing, business men, there's much in store;

Every merchant, every tradesman must hang N.I.R.A. on his door.  
More control and more dictation, every rule you must obey;

What you charge and how much profit, Washington alone can say.

Antitrust laws, oh, forget them, N.I.R.A. does not like their feel;

It's monopolies that help us in the web of this 'new deal.'

"Now that you are in the webbing, to the Nation gold you loaned  
During war days' stress and tumult, bought a bond you thought you owned.

'Gold I'll pay in sure redemption', promised dear old Uncle Sam,"  
And he meant it and believed it, never dreamed that such a slam

Would upset, distort and break it, breach the promise, spoil the seal,

"But this promise must be broken in the web of this 'new deal.'"

"There are many new attractions which we never did unfold  
In our platform or our speeches; it is well they were not told.

We've created new commissions, bureaus seem to leap and grow,  
Names no longer are availing, just by letters one can know.

To remember would be futile; how your head would ache and reel,

So just trustingly accept them in the web of this 'new deal.'

"Then, of course, we did not tell you of our regimenting plan  
By which wheat and corn and cotton were included in our ban;  
And the cows' milk must be curtailed, the pigs should have no young;

To this economic planning we would fain have praises sung.  
All your rights you've given over; they've been trampled under heel

By AA's and other letters in the web of this 'new deal.'"

Now the voters want their freedom; broken planks have given way,

Unkept covenants and pledges their distress does not allay.  
Mounting covenants, colossal taxes, Constitution cast aside,  
Regulate, control, and dictate—on these three all tyrants ride.  
We want freedom! It's our birthright; for it martyrs strove  
with zeal.

Lift us, free us, grant deliverance from the web of this "new deal."

NATIONAL VETERANS' CONFERENCE

Mr. LUNDEEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter from Doak E. Carter, chairman of the National Veterans' Conference Committee, Victory Post, No. 4, the American Legion:

WASHINGTON, D.C., June 13, 1934.

The Honorable ERNEST LUNDEEN,

Member of Congress.

DEAR SIR AND COMRADE: This committee, under the authority of Victory Post, No. 4, the American Legion, is calling a national conference of representatives of all patriotic veteran organizations and units, to be convened in Washington during October for "indoctrinating all of the veterans of the World War and Spanish-American War, regardless of their veteran organization affiliation, with the spirit of cooperation and coordination of veterans' objectives, thereby affording the membership of each organization the opportunity to take such action within each particular organized group as will permit and lead to the promotion of a planned national policy to the end that veterans will not always be vulnerable in the face of attack and that the veterans may again be restored to that high level of patriotic idealism which was once theirs."

By reason of your consistently favorable attitude toward the veteran this committee feels that it may ask your assistance in this matter.

Such a conference will, no doubt, have a great and lasting effect upon veteran thought and activities and upon the welfare of the Nation. So far as we know, this is the first meeting of its kind ever proposed.

Trusting that you will help us, we are,  
Sincerely yours,

DOAK E. CARTER,

Chairman National Veterans' Conference Committee, Victory Post, No. 4, American Legion, Department of the District of Columbia.

I favor a national conference of veterans of all wars to consider a veterans' legislative program. The conference proposed by the committee of the Victory Post of the American Legion will offer an opportunity for the veterans to express themselves directly and in a coordinated manner.

This is the first time, in recent years, so far as I know, that the veterans of the Nation have been asked to meet in a general conference, and much good will come from this deliberation. Inasmuch as all patriotic veteran organizations and united organizations are being invited to attend, the findings of the conference will be a cross-section of the opinions of all veteranhood. Such an activity will result not only in the consolidation of veteran efforts behind a unified, reasonable program, but will also furnish the Congress with a great deal of highly desirable information. Such a conference successfully consummated will establish a precedent of united expression which heretofore has been sadly lacking in the representations of the various veteran organizations.

A program can be readily drawn setting forth the desires, aims, and intentions of the mass of veterans. Such a program will materially contribute to the solution of the great problems now confronting the veterans of America.

HON. WILLIAM E. HUMPHREY OF WASHINGTON

Mr. SAMUEL B. HILL. Mr. Speaker, on February 14, 1934, Hon. William E. Humphrey died in Washington, D.C., aged 72 years. Mr. Humphrey was a Representative in Congress from the State of Washington for 14 years, from March 3, 1903, to March 3, 1917, and later was 8 years a member of the Federal Trade Commission.

He was born near Alamo, Montgomery County, Ind., March 31, 1862, and was educated in the schools of that State. He was admitted to the bar in 1887 and commenced the practice of law in Crawfordsville, Ind. He moved to Seattle, Wash., in 1893 and continued the practice of law there, being corporation counsel of the city of Seattle from 1898 to 1902.

He was elected as a Republican to the Fifty-eighth and the six succeeding Congresses and was not a candidate for an eighth term. He was appointed February 25, 1925, by President Coolidge as a member of the Federal Trade Commission and was reappointed to that commission in 1931 by President Hoover.

Mr. Humphrey was of that forceful type of character who pioneered in the settlement and development of the Pacific Northwest. He was a lawyer and attained eminence in that profession before he entered the field of national politics. Always a Republican of the stalwart type, he was a leader in the House of Representatives in maintaining and advancing the principles and policies of his party and attained a national prominence that was both the admiration and envy of men of lesser note. Mr. Humphrey was the essence of loyalty. He never betrayed a cause or a friend. He always rendered the best service that was in him to his State and Nation. His death marked the passing of a human landmark of rugged honesty, efficiency, and loyalty. The memory of his life and associations and the results of his public service will long remain as a monument to a devoted friend of humanity and an outstanding character in American public life.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until 10 o'clock tomorrow.

The motion was agreed to; accordingly (at 9 o'clock and 47 minutes p.m.) the House stood in recess until tomorrow, Saturday, June 16, 1934, at 10 o'clock a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MONTAGUE: Committee on the Judiciary. H.R. 9914. A bill to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934; without amendment (Rept. No. 2018). Referred to the House Calendar.

Mr. WILLFORD: Committee on War Claims. Senate Joint Resolution 102. A joint resolution authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President; without amendment (Rept. No. 2019). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. S. 1639. An act to establish a Federal Credit Union System, to establish a further market for securities of the United States, and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States; with amendment (Rept. No. 2021). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House Resolution 247. Resolution to provide for defraying the expenses of the American Section, International Boundary Commission, United States and Mexico; without amendment (Rept. No. 2022). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H.R. 9883. A bill to authorize an annual appropriation to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History; without amendment (Rept. No. 2023). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 371. A joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate

plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence; without amendment (Rept. No. 2025). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 1617. A bill to provide for the appointment of an additional district judge for the southern district of Texas; without amendment (Rept. No. 2026). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 3664. A bill to provide for the appointment of an additional district judge for the eastern and western districts of Missouri; without amendment (Rept. No. 2027). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 4583. A bill to repeal section 2 of chapter 333, Forty-fifth Statutes; without amendment (Rept. No. 2028). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 6136. A bill to provide for the appointment of an additional district judge for the northern district of Georgia; without amendment (Rept. No. 2029). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 6478. A bill to provide for the appointment of two additional district judges in the United States District Court for the Southern District of New York; without amendment (Rept. No. 2030). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 7524. A bill to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of Michigan; without amendment (Rept. No. 2031). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 8142. A bill to provide for the appointment of an additional district judge for the eastern district of Oklahoma; without amendment (Rept. No. 2032). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAINES: Committee on the Post Office and Post Roads. H.R. 8999. A bill to amend the postal laws relating to the appointment of acting postmasters; with amendment (Rept. No. 2033). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 9458. A bill to provide for the appointment of an additional district judge for the eastern district of Virginia; without amendment (Rept. No. 2034). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 9746. A bill to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws; without amendment (Rept. No. 2035). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 9948. A bill to provide for the appointment of an additional district judge for the southern district of California; without amendment (Rept. No. 2040). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANZETTA: Committee on Immigration and Naturalization. H.R. 6852. A bill for the admission to citizenship of aliens who came into this country prior to February 5, 1917; with amendment (Rept. No. 2041). Referred to the House Calendar.

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

Under clause 2 of rule XIII,

Mr. McSWAIN: Committee on Military Affairs. H.R. 3523. A bill granting a pension to Marie Beck; without amendment (Rept. No. 2020). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

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

By Mr. RANKIN: A bill (H.R. 9936) to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War; to the Committee on World War Veterans' Legislation.

By Mr. TARVER: A bill (H.R. 9937) to create a national memorial park at and in the vicinity of New Echota, in the State of Georgia, and for other purposes; to the Committee on the Public Lands.

By Mr. McCANDLESS: A bill (H.R. 9938) to authorize the Governor of the Territory of Hawaii to remove certain officers and members of boards without the advice and consent of the Senate of said Territory; to the Committee on the Territories.

By Mr. KNUTE HILL: A bill (H.R. 9939) authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: A bill (H.R. 9940) to guard and protect the people of the United States against famine and shortage of food; to provide for the purchase and safekeeping by the Government of stocks of wheat, rye, corn, oats, and barley for use and consumption in times of economic distress due to shortage of food supplies; and for other purposes; to the Committee on Agriculture.

By Mr. McDUFFIE: A bill (H.R. 9946) providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico; to the Committee on Insular Affairs.

By Mr. BUCHANAN: A bill (H.R. 9947) to provide for the classification of cotton by grade and staple for producers, to furnish farmers timely information on market supply, demand, location, conditions, and market prices for cotton, and for other purposes; to the Committee on Agriculture.

By Mr. SUMNERS of Texas: A bill (H.R. 9948) to provide for the appointment of an additional district judge for the southern district of California; to the Committee on the Judiciary.

By Mr. SIROVICH: Resolution (H.Res. 446) stating that the Government of the United States in its executive departments is a great business enterprise, with a Capital, number of employees, and scope of functions beyond any commercial organization in the Nation; to the Committee on Expenditures in the Executive Departments.

By Mr. SABATH: Resolution (H.Res. 448) providing for the expenses of the investigation authorized by House Resolution 412; to the Committee on Accounts.

By Mr. BLACK: Resolution (H.Res. 449) providing for the expenses of the investigation authorized by House Resolution 336; to the Committee on Accounts.

By Mr. BYRNS: Joint resolution (H.J.Res. 375) to effectuate further the policy of the National Industrial Recovery Act; to the Committee on Labor.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CALDWELL: A bill (H.R. 9941) for the relief of Walter L. Rosasco; to the Committee on Military Affairs.

By Mr. DOWELL: A bill (H.R. 9942) for the relief of Frank L. Williams; to the Committee on Claims.



Also, a bill (H.R. 9943) for the relief of Mrs. Harry E. Craven; to the Committee on Claims.

By Mr. WALTER: A bill (H.R. 9944) for the relief of the Bethlehem Fabricators, Inc.; to the Committee on Claims.

By Mrs. McCARTHY: A bill (H.R. 9945) granting a pension to Estella May Duckworth; to the Committee on Pensions

#### PETITIONS, ETC.

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

5160. By Mr. FOCHE: Petition of Local Union, No. 1851, United Textile Workers of America, praying support of Wagner bill; to the Committee on Labor.

5161. By Mr. FOSS: Petition of the General Court of Massachusetts, favoring enactment of the Hatfield-Wagner bill, providing for a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.

5162. By Mr. KENNEY: Petition in the nature of a resolution of the Senate and General Assembly of the State of New Jersey, requesting the Federal Government to pass such measures and take action necessary to blot out lynch law and vouchsafe to every citizen life, liberty, and the pursuit of happiness as guaranteed in our Bill of Rights; to the Committee on the Judiciary.

5163. By Mr. LEHR: Petition of the rural carriers of Jackson, Mich., for the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5164. Also, petition of the National Federation of Post Office Clerks Ladies' Auxiliary, Jackson, Mich., for the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5165. Also, petition of the National Association of Substitute Post Office Employees, Branch No. 62, Jackson, Mich., favoring the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5166. Also, petition of the National Association of Letter Carriers, Branch No. 232, Jackson, Mich., favoring the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5167. Also, petition of the National Federation of Post Office Clerks, Branch No. 273, Jackson, Mich., favoring the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5168. By Mr. LINDSAY: Telegram from the Chase Bag Co., New York City, urging support of Department of Agriculture amendment to Agricultural Act to permit refund on floor stocks of cotton burlap and paper bags; to the Committee on Agriculture.

5169. Also, telegram from Locals 63 and 142, New York Amalgamated Clothing Workers of America, New York City, urging passage of the Connery 30-hour-week bill; to the Committee on Labor.

5170. Also, petition of the National Association of Cotton Manufacturers, Boston, Mass., opposing House bill 419 and Senate bill 256; to the Committee on Interstate and Foreign Commerce.

5171. Also, petition of Nathan D. Perlman, vice president American Jewish Congress, New York City, urging enactment of House bills 9364, 8312, and 9725; to the Committee on Immigration and Naturalization.

5172. By Mr. RUDD: Petition of the Stone Mason's Union, No. 47, B. M. & P. I. U. of America, 96 Wilson Avenue, Brooklyn, N.Y., favoring the passage of the Wagner disputes bill (S. 2926); to the Committee on Labor.

5173. Also, petition of the Montefiore Hospital Alumni Association, New York City, favoring the passage of House bill 7598, the Lundeen bill; to the Committee on Labor.

5174. By Mr. STRONG of Pennsylvania: Petition of the mayor of the city of Johnstown, Pa., requesting a congressional investigation with a view to placing responsibility for the failure of the banks of that city; to the Committee on Banking and Currency.

5175. By the SPEAKER: Petition of Donald Cross and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Labor.

## SENATE

SATURDAY, JUNE 16, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 9 o'clock a.m., on the expiration of the recess.

#### CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Reynolds
Ashurst	Cutting	Kean	Robinson, Ark.
Austin	Davis	King	Robinson, Ind.
Bachman	Dickinson	La Follette	Russell
Bailey	Dieterich	Lewis	Schall
Bankhead	Dill	Logan	Sheppard
Barbour	Duffy	Loneragan	Shipstead
Barkley	Erickson	Long	Smith
Black	Fess	McCarran	Steiwer
Bone	Fletcher	McGill	Stephens
Borah	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkley	Gibson	Metcalf	Thompson
Bulow	Glass	Murphy	Townsend
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norbeck	Vandenberg
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	O'Mahoney	Walsh
Clark	Hatch	Overton	Wheeler
Connally	Hatfield	Patterson	White
Coolidge	Hayden	Pittman	
Costigan	Hebert	Pope	

Mr. ROBINSON of Arkansas. I announce the absence of the Senator from California [Mr. McAdoo] occasioned by continued illness, and the absence of the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. VAN NUYS], and the Senator from New York [Mr. COPELAND] who are necessarily detained from the Senate.

Mr. HEBERT. I wish to announce that the Senator from Pennsylvania [Mr. REED] is absent on account of illness and that the Senator from New Hampshire [Mr. KEYES] is necessarily detained from the Senate.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from United Umbrella Workers' Local Union, No. 19164, American Federation of Labor, of New York City, N.Y., praying for the passage of Senate bill 2926, the so-called "labor disputes bill", without any amendment, which was ordered to lie on the table.

He also laid before the Senate a letter from Hilda Phelps Hammond, chairman of the Women's Committee of Louisiana, enclosing telegrams from Edith R. Battey, Democratic national committeewoman for Montana, Billings, Mont.; Mrs. E. C. Young, Spokane, Wash.; and Mrs. Bertha M. Fields, Marietta, Ga., endorsing a paper in the nature of a petition signed by sundry national committeewomen, praying for a prompt, full, and fair investigation in open hearings of the charges filed by the Women's Committee of Louisiana against the Senators from Louisiana, Mr. LONG and Mr. OVERTON, which, with the accompanying paper, was referred to the Committee on Privileges and Elections.

#### PETITIONS OF THE PHILIPPINE LEGISLATURE

The VICE PRESIDENT laid before the Senate a letter from Hon. PEDRO GUEVARA, Resident Commissioner from the Philippines, transmitting copies of Concurrent Resolutions Nos. 52, 54, and 56, adopted by the third special session of the Ninth Philippine Legislature, which, with the accompanying papers, was ordered to lie on the table and to be printed in the RECORD, as follows: