TEXAS

Allen A. Collet to be postmaster at Handley, Tex., in place of J. W. Hampton. Incumbent's commission expired April 15, 1934.

John E. McClain to be postmaster at Roscoe, Tex., in place of L. S. Howard, resigned.

Kirby L. Scudder to be postmaster at Slaton, Tex., in place of J. S. Bates, transferred.

Winnette D. DeGrassi to be postmaster at Amarillo, Tex., in place of W. C. Kenyon, resigned.

Lou A. Sloma to be postmaster at Yorktown, Tex., in place of A. A. Ladner. Incumbent's commission expired May 9, 1934.

Hunter H. McWilliams to be postmaster at Atlanta, Tex., in place of A. H. O'Kelley, removed.

Jesse Wier to be postmaster at Best, Tex., in place of F. M. Taylor, resigned.

VERMONT

Smith M. Matson to be postmaster at Dorset, Vt., in place of W. M. Batchelder. Incumbent's commission expired March 8, 1934.

Henry C. Brislin to be postmaster at Rutland, Vt., in place of C. H. West. Incumbent's commission expired December 16, 1933.

VIRGINIA

Annie G. Davey to be postmaster at Evington, Va., in place of A. G. Davey. Incumbent's commission expired May 29, 1934.

Claude B. Nolen to be postmaster at Ferrum, Va., in place of Bertha Thompson. Incumbent's commission expired May 13, 1934.

Fred Adams to be postmaster at Galax, Va., in place of W. C. Roberson. Incumbent's commission expires June 24, 1934.

Clyde DeHaven to be postmaster at Hillsville, Va., in place of W. L. Martin. Incumbent's commission expires June 20, 1934.

Eloise C. Hay to be postmaster at Madison, Va., in place of L. G. Cook, deceased.

William A. Coates to be postmaster at South Washington, Va., in place of W. A. Coates. Incumbent's commission expired February 9, 1933.

Garvis E. Lemley to be postmaster at Stephens City, Va., in place of P. E. Lineburg. Incumbent's commission expired May 13, 1934.

Lloyd Sullenberger to be postmaster at Monterey, Va., in place of D. D. Curry. Incumbent's commission expired April 8, 1934.

John S. Hinegardner to be postmaster at Weyers Cave, Va., in place of B. L. Showalter. Incumbent's commission expired March 18, 1934.

WASHINGTON

Leo B. Reed to be postmaster at Redmond, Wash., in place of H. S. Reed, deceased.

Grace A. Johnston to be postmaster at Orting, Wash., in place of Kathryn Reichert. Incumbent's commission expired December 18, 1933.

Joseph A. Wolf to be postmaster at Roy, Wash., in place of G. R. Moore. Incumbent's commission expired March 18, 1934.

George Rodman to be postmaster at Wapato, Wash., in place of E. E. Cox. Incumbent's commission expired April 2, 1934.

Fairleigh B. Wilkins to be postmaster at Yakima, Wash., in place of H. L. Leeper, retired.

WEST VIRGINIA

Peter H. Lawless to be postmaster at Berwind, W.Va., in place of Otto Sharitz, resigned.

Williard I. Gulley to be postmaster at McComas, W.Va., in place of Calvin Shockey. Incumbent's commission expired March 8, 1934.

WISCONSIN

Bernard G. Schramske to be postmaster at Boyceville, Wis., in place of R. C. Taylor. Incumbent's commission expired March 18, 1934.

Leo A. Eiden to be postmaster at Deer Park, Wis., in place of Emma Thompson. Incumbent's commission expired June 2, 1934.

Claude E. Rochon to be postmaster at Florence, Wis., in place of J. E. Huff. Incumbent's commission expired January 28, 1934.

William S. Casey to be postmaster at Knapp, Wis., in place of M. H. Schlosser. Incumbent's commission expired April 2, 1934.

Ruth S. Foley to be postmaster at Maiden Rock, Wis., in place of A. W. Priess. Incumbent's commission expired April 2, 1934.

Anna C. Buhr to be postmaster at Marion, Wis., in place of J. K. Buhr. Appointee deceased.

William Murray to be postmaster at Prescott, Wis., in place of J. E. Wehrman. Incumbent's commission expired May 7, 1934.

Arnold A. Conklin to be postmaster at Vesper, Wis., in place of E. O. Trickey. Incumbent's commission expired April 2, 1934.

Donald M. Warner to be postmaster at Whitehall, Wis., in place of H. J. Elstad. Incumbent's commission expired May 2, 1934.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 16 (legislative day of June 6), 1934

POSTMASTER

Mary B. Helm to be postmaster at Stanford, Ky.

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 16, 1934

(Legislative day of Friday, June 15, 1934)

The recess having expired, the House was called to order by the Speaker at 10 o'clock a.m.

MESSAGE FROM THE SENATE

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

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended;

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller;

H.R. 9618. An act authorizing the Sistersville Bridge board of trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.R. 9826. An act granting the consent of Congress to the State Highway Commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range 3 west, 8 miles northeast of Alton, on route B, in Oregon County, Mo.;

H.R. 9904. An act to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended;

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits;

H.J.Res. 373. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits; and

H.Con.Res. 46. Concurrent resolution providing that the provisions of S. 3696 be incorporated and printed in the proper place in the Canal Zone Code (H.R. 8700) prior to its enrollment and signature.

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

H.R. 9830. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

years ending June 30, 1934, and June 30, 1935, and for other purposes.

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. ADAMS, Mr. MCKELLAR, Mr. BYRNES, Mr. HALE, and Mr. DICKINSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. 3788. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.; and

S.Con.Res. 23. Concurrent resolution authorizing the Clerk of the House of Representatives in the enrollment of the bill H.R. 9830, the Emergency Appropriation Act, fiscal year 1935, to include payment to the sisters of the late Representative George F. Brumm, of Pennsylvania:

For payment to Susan I. Brumm and Joan L. Brumm, sisters of George F. Brumm, late a Representative from the State of Pennsylvania.

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

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes; and

H.Con.Res. 32. Concurrent resolution authorizing and directing the Federal Trade Commission to investigate conditions with respect to the sale and distribution of milk and other dairy products in the United States.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3636) entitled "An act for the relief of Thelma Lucy Rounds", 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. BAILEY, Mr. TRAMMELL, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9410) entitled "An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate no. 3 to the bill (H.R. 9404) entitled "An act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9046) entitled "An act to discontinue administrative furloughs in the Postal Service", 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. MCKELLAR, Mr. HAYDEN, and Mr. SCHALL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 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 1934."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3739. 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.

THE WORK OF THE HOUSE COMMITTEE ON EDUCATION

Mr. DOUGLASS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein an article on the work of the House Committee on Education, written by its secretary.

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

There was no objection.

Mr. DOUGLASS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following work of the House Committee on Education:

THE WORK OF THE HOUSE COMMITTEE ON EDUCATION—WILLIAM J. WALLACE, SECRETARY TO THE COMMITTEE, REPORTS EVENTS OF A BUSY YEAR FOR THE 21 MEMBERS OF CONGRESS ENDEAVORING TO SOLVE NATIONAL SCHOOL PROBLEMS

The second session of the Seventy-third Congress has been for the Education Committee of the House of Representatives an unusually busy one, the product of the times in which we find ourselves.

It is wise, before one reveals the actions of the committee, to dissect it into its component parts. Of the 21 members, 13 are serving their first term in Congress, and 14 are members of the Education Committee for the first time. There are 15 Democrats and 6 Republicans, which is about the ratio of both parties in the House.

Most significant is the fact that many of the members were not merely assigned to the committee, but because of their great interest in education, asked to be placed on the Education Committee. As a whole, it is as interested a committee as can be found in the Capitol. No meeting is conducted without a large turnout, and this is unusual when one considers the fact that many of the members have conflicting committee assignments.

MEN OF EXPERIENCE

As the Representatives on the committee are gathered from many and varied walks in life, the reasoning processes and the final decisions are bound to be interesting. The chairman is a lawyer, playwright, and dramatist. In addition to the chairman there are eight other lawyers on the committee, all of them prominent in their States; one an author of law treatises; another who before being admitted to the bar, had taught school; another who had been a principal of a high school and lecturer upon economics, literary, and historical subjects; another, one of the leading constitutional lawyers in the United States, former Assistant Attorney General of the United States, former solicitor general, author of numerous well-known law books, honored by three foreign countries, fellow of Royal Historical Society, London, honorary bencher of Gray's Inn, England. The lady member of the committee is also an attorney.

Leaving the law, we have a member who has been a practicing physician for 30 years. In addition to the two attorneys above mentioned who have had school experience, we find five other members with an educational background, one member a former chairman of a school board in New York State; another a teacher for 18 years and later a county superintendent of schools; another an outstanding educator in America, having been a professor at some of the leading educational institutions in the United States and since 1905 to date, professor of philosophy at Yale University; another who taught school, later a county superintendent, president of a junior college, editor and proprietor of a newspaper, and president of a bank; and another a former member of a local board of education. In business fields we have one member an editor and publisher with a keen interest for years in education; another a successful business man and founder of a bank; another a prominent banker and farmer; another a chairman and member of a State commerce commission; and two others successful business men.

From this committee the educational policy of the country must be shaped, and the committee is well qualified to do it.

TWO SCHOOLS OF THOUGHT

In the beginning, it must be remembered that there will be two well-defined schools of thought in greater or less degree present in most bodies which will have before the membership education as a subject matter—that which believes that education is essentially the duty of the State to care for without the Federal Government participating in any way, and that which believes that the Federal Government should assist the States in education more as a national matter. Especially today, in these hard times, is the argument heard advanced by many educators, "If agriculture, business, railroads, and banks are to be assisted by the Federal Government, why not the schools?" And there will be those who will retort, "If the Federal Government is to go on helping all these activities, the Federal Government is going to need assistance soon, and who will give it?"

The subject of education being a controversial matter as regards policies in Congress, it is to be expected that there would be some difference of views amongst the members of the committee and that compromise must be resorted to if there is to be any action. It can positively be stated that the members of the committee have the greatest respect for the views of each and every member, and they have endeavored to work out harmoniously plans to which the great majority can in a large measure agree.

Having in mind the make-up of the committee and the controversial subjects before it, let us look at the agenda.

VOCATIONAL EDUCATION

Vocational education was the first question to come before the committee. As the George-Reed Act was to expire on June 30, 1934, if the program under the act was to continue, new legis-

lation had to be approved by the committee and passed by the Congress. Vocational education had its birth with the passage of the Smith-Hughes Act in 1917, which provided for aid by the Federal Government under a match-fund agreement, to the several States, in the field of vocational education, for the benefit of agricultural education and home economics and trade and industrial education. This was permanent legislation. Starting with the year 1918, $500,000 was appropriated for agricultural education and $500,000 for home economics and trade and industrial education—home economics not to receive more than 20 percent of the latter appropriation. This appropriation of $1,000,000, which was to be divided as mentioned, was to increase each year by $500,000 until in 1926 the sum of $6,000,000 was reached; one-half for agriculture and one-half for home economics and trade and industrial education, and from 1926 thereon it was to remain at $6,000,000. In 1933 the appropriations were reduced 10 percent by an act approved June 30, 1932, the Economy Act. This reduction amounted to $600,000 per year from the total amount. In 1934, the appropriations were further reduced by an act approved March 20, 1933, entitled "An act to maintain the credit of the United States Government." This reduction amounted to approximately $400,000.

Thus in 1934 agricultural education, under the Smith-Hughes Act, received $2,270,250; trade and industrial subjects, $1,830,000, and home economics, $457,500.

In addition, under the Smith-Hughes Act, $1,000,000 is allotted each year for maintenance of teacher-training. In 1934, $910,000 was appropriated.

In 1929 Congress passed the George-Reed Act, the purpose of which was to add funds to the original Smith-Hughes Act, in the field of agricultural education and home economics, excluding trade and industrial subjects. The appropriation was to be divided equally between agriculture and home economics. This act provided for $500,000 for the first year, 1930, to be increased $500,000 each year for 4 years. Thus on June 30, 1934, this act expires. In 1933, instead of receiving the $2,000,000 authorized under the act, only $1,500,000 was received under the provisions of the Economy Act. Instead of receiving the $2,500,000 for 1934, $1,275,000 was appropriated under the Independent Offices Act of June 16, 1933.

ELLZEY AND BLACK

This was the situation when Mr. ELLZEY of Mississippi introduced bill H.R. 7059, "To provide for the further development of vocational education in the several States and Territories." The Ellzey bill asked for $3,750,000 annually and was intended to be permanent legislation. Under the George-Reed Act, now expiring, $1,250,000 of the $2,500,000 authorized in 1934, goes to agricultural education and $1,250,000 to home economics. It was proposed in the bill (H.R. 7059) that a further $1,250,000 be added to be allotted to trade and industrial subjects, making a total of $3,750,000.

Mr. ELLZEY of Mississippi was granted a hearing on H.R. 7059 on February 8, 1934, at which hearing there appeared the Commissioner of Education, Dr. George F. Zook; the Assistant Commissioner for Vocational Education, Dr. J. C. Wright; and the Chief, Home Economics Education Service, Federal Board for Vocational Education, Miss Adelaide S. Baylor. There were no witnesses from the States at this hearing.

Later Mr. BLACK of New York introduced bill H.R. 7802, which was substantially the same as the Ellzey bill with the exception that a proviso was included in the Black bill that the allotment of funds to any State or Territory for each of the three purposes, mentioned previously, shall be not less than a minimum of $5,000 for any fiscal year and $64,600 annually was sought for the purpose of providing the minimum allotments to the States and Territories. Under the present law some of the States receive less than $5,000, and the purpose of this proviso was to enable them all to receive at least $5,000. With this exception, the bills were identical.

Under the leadership of Mr. L. H. Dennis, executive secretary of the American Vocational Association, Washington, D.C., a hearing was sought on this bill, and the Black bill, H.R. 7802, was heard on February 20, 21, 1934. A comprehensive report of the work of vocational education in this country was presented to the committee, and among those appearing, in addition to Mr. Dennis, who had charge of witnesses, were: T. E. Browne, State director of vocational education for the State of North Carolina; Bobby Jones, Radnor, Ohio, president of the Future Farmers of America; Mr. Frederic Brenckman, secretary of the National Grange; Mr. Chester H. Gray, representing the American Farm Bureau Federation, Washington, D.C.; Mrs. Hugh Bradford, Sacramento, Calif., president National Congress of Parents and Teachers; Mrs. Rose Coppage, president Maryland Parent-Teachers Association; Mrs. S. Blair Luckie, chairman of legislation of the National Federation of Women's Clubs; Miss Alice L. Edwards, executive secretary American Home Economics Association; Miss Margaret Edwards, head of the home economics department of the University of North Carolina; Mr. Charles A. Prosser, representing William Hood Dunwoodie Institute, Minneapolis, Minn.; Sidney B. Hall, State superintendent of public instruction, Virginia; Mrs. Betty Hawley, vice president New York State Federation of Labor, and executive secretary New York State Vocational Board; and Mr. Thomas H. Quigley, representing the Georgia School of Technology. In addition, Representatives ROBERTSON, Virginia; WOODRUM, Virginia; CARTER of Wyoming; and BANKHEAD, Alabama, appeared in behalf of the bill.

Shortly thereafter the committee met in executive session and considered both bills. Since the Ellzey bill, H.R. 7059, was first received, the committee decided to consider that and to add to it the proviso of the Black bill, H.R. 7802, which in fact was the only difference between the two bills.

COMMITTEE REPORTS

Instead of allowing the bill to be permanent as requested, the committee cut it down to 3 years; and instead of granting the $3,750,000 as requested, $3,000,000 was reported. In fact, however, it will be noted that this is an increase of $500,000 over the authorization of the fiscal year ending June 30, 1934. The committee said:

"The committee is reporting this bill not as a permanent measuse but to cover a period of 3 years as an emergency measure during the present depression, in the sum of $3,000,000 annually, commencing with the fiscal year ending June 30, 1935; one-third to be allotted to agricultural education, one-third to home economics, and one-third to trade and industrial education. It is believed that trade and industrial education should be included in order to assist those young people who, because of lack of employment, are going back to school to learn trades. It is thought that this is not the proper year and time to withdraw Federal aid, as this action would mean probably the immediate loss of employment to many people engaged in this work, and there is no desire on the part of the committee to bring about this situation. *But it is recommended strongly that the States put their houses in order and prepare themselves just as soon as possible to take over this whole program of vocational education, and rid the Federal Government of a task which is properly the duty of the State.*" (Italicized by the writer.) The committee also mentioned "that there is no question of the great value of vocational education in each of these phases mentioned. Vocational education has made a splendid social contribution, as evidenced by the testimony and reports of those appearing before the committee in favor of this bill. But it is believed that this problem of vocational education is essentially a problem for the individual State while it is able to carry it on."

One can readily understand that in order for there to be any action at all on a bill of this nature, compromise was in order, and some Members with varying views had to relent somewhat.

In order that the bill might pass this session and there be no break in the vocational program, the chairman, JOHN J. DOUGLASS, appeared before the Rules Committee on April 5, 1934, and argued for a special rule, which rule was granted giving legislative priority to H.R. 7059.

On April 25 the bill came up on the floor of the House, and debate was continued over on April 26. Attempts were made to put a labor amendment on the bill and also an amendment changing the plan of distribution so that the bill would read, "That in States and Territories where there are separate schools between white and colored pupils that the funds herein mentioned shall be divided according to the population based on the last United States census." Chairman DOUGLASS vigorously opposed both amendments on the ground that it would mean the Federal Government interfering with education in the States and starting a precedent for Federal control of education. Both amendments were defeated, and the vocational education bill was passed by the House in exactly the form that the Education Committee reported it. The bill then went to the Senate, where it was referred to the Senate Committee on Agriculture and Forestry. This committee received the bill, instead of Education and Labor, where it would ordinarily go, due to the volume and pressure of labor measures before the Committee on Education and Labor. The Agriculture and Forestry Committee promptly reported the bill favorably in the same form as passed by the House, and it is now on the Senate Calendar where it is expected to be passed any day.

FEDERAL RELIEF

One of the most important questions ever to come before the House Education Committee was that of Federal emergency relief to education. Schools in various sections of the country were either closed or terms were curtailed. The school situation was alarming. Under the leadership of United States Commissioner of Education Dr. George F. Zook, representatives of 32 national organizations met as the Federal Advisory Committee on Emergency Aid in Education. After much study a 6-point relief program was drawn up and presented to Commissioner Zook. The committee then dissolved. Thereafter many of the organizations represented formed the National Committee for Federal Emergency Aid for Education, under the chairmanship of Dr. James H. Richmond, superintendent of public instruction for the State of Kentucky. Headquarters were established in Washington by Dr. Richmond and his secretary, James W. Cammack, Jr., and they went about their task of securing relief legislation for 1934–35.

Dr. Richmond planned to prove to the committee by facts that there was a great need for relief to education. He did not attempt to have the committee deluged with letters and telegrams from all over the country; the only thing he attempted was to deluge the committee with convincing facts presented at the hearing. I believe that Dr. Richmond's handling of the cause and its presentation were very pleasing to the members of the committee.

Hearings commenced Monday, February 26, and continued through Thursday, March 1, with morning and afternoon sessions, and everyone who desired to appear was heard. There were 11 bills before the committee dealing with relief to education in some form or other: H.R. 7477, H.R. 7479, H.R. 7520, H.R. 7525, H.R. 6968, H.R. 6533, H.R. 7873, H.R. 6621, H.R. 8219, H.R. 8289, and H.R. 8137. The hearings were not confined to these bills, however, but were on the general subject of Federal Emergency Aid to Education, and most of the witnesses tackled the problem along this general line.

HOPKINS TESTIFIES

Some bills provided for the money to be taken from the Reconstruction Finance Corporation; others from the Federal Emergency Relief Administration; and others from the Treasury. Administrator Harry L. Hopkins, of the Federal Emergency Relief Administration, appeared against the proposition that $50,000,000 be taken from his funds for 1934. He maintained as his personal opinion that relief funds should not be used for educational purposes; that the Relief Administration should not have anything to do with education in any way, shape, or form; that the whole question whether the Federal Government should give aid to schools was something which was entirely outside his province and that he did not wish to express any judgment as to whether the Federal Government should give aid to school systems.

Mr. Stanley Reed, general counsel for the Reconstruction Finance Corporation, testified that under existing law there were no provisions whereby his organization could give the relief asked for in the bills—that Congress would have to legislate upon it; and as to its desirability, the Corporation would not care to give an opinion. The proposition that money should be taken from the R.F.C. as a gift to States and Territories appeared to be clearly inapplicable as the R.F.C. is a loan organization.

Dr. Richmond made a long and comprehensive statement setting forth the needs of many of the States as based on figures he had received from the various heads of education in the States. Among the speakers were:

Commissioner of Education George F. Zook; A. T. Allen, superintendent of public instruction, North Carolina; H. F. Alves, director of research, State department of education, Texas; W. F. Bond, State superintendent of education, Mississippi; Robert L. Bynum, State department of education, Tennessee; L. V. Cavins, director of research, State department of education, West Virginia; M. D. Collins, superintendent of schools, Georgia; Howard A. Dawson, director of research, department of education, Arkansas; Floyd I. McMurray, superintendent of public instruction, Indiana; J. N. Rule, superintendent of public instruction, Pennsylvania; Charles R. Mann, National Advisory Committee on Education; Paul Mort, professor at Columbia University; Robert C. Keenan, representing the American Federation of Teachers, Chicago, Ill.; representatives of many women's organizations; and Congressmen Allgood, Dondero, Dunn, Glover, Hoeppel, and Swank. Amongst statements submitted were those by Sidney B. Hall, chairman legislative commission, National Education Association and State superintendent of public instruction, Virginia; B. O. Skinner, director of education, Ohio; and John K. Norton, professor of education, Columbia University, and chairman of the joint commission of the emergency in education of the department of superintendence of the National Education Association.

No opposition appeared at the hearings.

The entire committee held executive sessions, discussing the subject fully and called in witnesses for more information at the private sessions. Finally a subcommittee was appointed to draw up a rough copy of a bill, confer with the President of the United States, and report back to the main committee. The subcommittee is composed of JOHN J. DOUGLASS, Democrat, Massachusetts, chairman; RUSSELL ELLZEY, Democrat, Mississippi; BROOKS FLETCHER, Democrat, Ohio; ALBERT E. CARTER, Republican, California; and CHARLES M. BAKEWELL, Republican, Connecticut.

The subcommittee went over this problem exhaustively, procuring information from every available source and also receiving the benefit of the testimony of witnesses who were called. On April 26, Harry L. Hopkins, Federal Emergency Relief Administrator, was directed by the President to confer with the subcommittee on this matter. The Administrator, the Commissioner of Education, and the subcommittee had a very satisfactory conference on this date. On May 8, the subcommittee approved a bill by Mr. DOUGLASS, the chairman, who introduced this bill the same day. This bill calls for $75,000,000 as an emergency measure for 1 year, i.e., the fiscal year ending June 30, 1935, to be distributed to the States, Territories, and the District of Columbia on the basis of need and to be administered by the Federal Emergency Relief Administrator with the advice and cooperation of the Commissioner of Education. The funds are to be taken from the Federal Emergency Relief which have been heretofore appropriated or hereinafter appropriated. The bill will come before the main committee on May 9, and it is expected to be reported favorably to the House.

In passing, I might say that there are many difficulties attendant upon a program of this nature, especially in determining the actual needs of the States and Territories for 1934–35; many complicated matters, such as the financial structure of the States and taxing systems, would have to be considered. This article is intended to be factual and not opinionative, but this writer, present every minute of the time at the hearings and following the subject closely, cannot help giving one or two personal observations. It would appear to me, from testimony I heard at the hearings, that if some of the States had used more foresight, had reorganized inadequate and ancient taxing systems, had properly set aside sufficient funds for education realized from an efficient taxing system, and had consolidated rural schools as much as possible, the need today for financial assistance would be nowhere near as much as it is. A wholesale reorganization of education and finances for education at once by the States would appear to be the only way the States can take care of themselves and not be coming back to the Federal Government for assistance after 1934–35.

If the evils are not uprooted now by the States, then they will be in the same situation the next year and the year after as they are today. It means great sacrifice on the part of the people and the leaders of the State government, but from the testimony at the hearing, Indiana appears to have taken care of its own situation courageously through revising its tax system and allocating the proper funds to education. Of course, it means hardship, for no tax falls easily on anyone. From figures available, Massachusetts, Maryland, Connecticut, Delaware, New Hampshire, Indiana, Rhode Island, and Virginia are seeking no Federal aid for 1934–35, but it must be evident to all that these States are forced to retrench and sacrifice in order to continue without Federal assistance.

Perhaps one of the most startling conditions brought to light during the hearing was the almost complete lack of consolidation of rural schools. There were situations in many States where a tremendous saving could be made if these small one-room country schools were consolidated wherever possible. Local pride often tends to prevent consolidation, and it also appears that the only worth-while consolidation, and it also appears that the only a State-wide survey and not independent county surveys.

It seems that we are always going to run into the two schools of thought; that which believes the Federal Government should assist the schools of America as a permanent policy and that which believes the States should look after their own affairs without any assistance from the Federal Government of a permanent nature.

The present proposition is an emergency one, however, and we are able to avoid this argument for the time being, but it seems we are almost certain to run into it in some form in the future.

Mr. FOULKES. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. FOULKES. Mr. Speaker, it was not surprising to me that there should emanate last night from the gentleman from New York [Mr. TABER] a complaint because I used franked post-card announcements to notify citizens of Washington of a recent address on public questions and national problems before the Washington Institute, Church of Christ, this city.

Now, it happens that my concept of government—which is the truly Democratic one—differs fundamentally from that of reactionaries like my friend, the gentleman from New York, who believes that it is highly improper to use Government facilities to acquaint the people with the facts about civic affairs and about their own business. I believe in open, candid, honest discussion of these things. I believe that in a country which rests upon the foundation of free and universal education, it is right to use Government facilities to provide discussion about matters that relate to public policies.

Just the other day the newly appointed Commissioner of Education stated that he felt that a modern, broad, and progressive educational policy should include the use of schools and publicly owned halls for open forums, debates, lyceums, and other educational organizations for the whole people. His statement revealed him as a man who possesses the real American ideals of education, knowledge, and intelligence.

The gentleman from New York, who has barked and whined at every effort of the present administration to relieve human misery and save people from starvation, is naturally opposed to the extension of knowledge at public expense.

I make no apologies for mailing out announcements of a civic address on franked congressional post cards. If other Members of this House who are so wedded to reaction and so hostile to open discussion would use Government facilities to reach the people and talk over the Nation's problems and needs, they would be using their time and energies to far better advantage than by indulging in cheap carping criticism of everything that tends in the direction of humanitarianism and enlightenment. I should like to see other Congressmen do exactly as I did. And I care not whether they are Democrats or Republicans or members of any other party, for I believe in free speech, and I ask no privilege for myself that I am not willing to extend to others. If our Government is to stand, it must assure free speech for all, and that means assuring it to my opponent as much as to myself.

These disciples of reaction love darkness rather than light; prefer to keep the people in ignorance to allowing them access to information; and are devoted to the doc-

trine that the best government is that which operates in star chamber proceedings with no ray of illumination ever allowed to enter. Men of that attitude would have been at home in the catacombs of Rome. They are out of place in the modern America of the new deal of Franklin D. Roosevelt and Dr. Rexford G. Tugwell.

Mr. Speaker, on page 11808 of the CONGRESSIONAL RECORD, the gentleman from New York [Mr. TABER] made a serious attack upon me last evening for the use of the frank, in which he used the following language:

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 have in my hand copy of the card to which he refers. May I state that this card was submitted to the Post Office Department before it was sent out.

The gentleman from New York appears to object to these meetings being held in churches and he also appears to object to the wording of the card. For the information of the gentleman may I state that the wording is absolutely correct and has been passed on by the Post Office Department.

The gentleman from New York who has barked and whined at every effort of the present administration to relieve human misery and save people from starvation——

Mr. TABER. Mr. Speaker, a point of order.

Mr. FOULKES. Is naturally opposed to the extension of knowledge at public expense. Considering the source, what other expression of opinion could be expected from him? I am reminded of the Chinese blybird, which is a bird that flies backward, and the reason it flies backward——

Mr. TABER. Mr. Speaker, I ask that the gentleman's words be taken down. We are not going to have that sort of thing here.

The SPEAKER. The gentleman from New York asks that the words be taken down. The gentleman from Michigan will suspend.

Mr. BANKHEAD. Mr. Speaker, does the gentleman from New York insist that the words be taken down?

Mr. TABER. If the gentleman is willing to take them out of the RECORD, I do not care, but I do not propose to have such things as that in the RECORD.

Mr. FOULKES. Mr. Speaker, the reference to the Chinese blybird that flies backward, I ask unanimous consent to withdraw from the RECORD.

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

There was no objection.

Mr. FOULKES. The trouble with the gentleman from New York——

Mr. TABER. Mr. Speaker, I am not ready to withdraw my request.

The SPEAKER. The objectionable words have been withdrawn by unanimous consent.

Mr. TABER. All of the words?

The SPEAKER. The objectionable words have been withdrawn by unanimous consent.

Mr. FOULKES. Mr. Speaker, the trouble with the gentleman from New York, and a few of the same cast of mind who unfortunately remain in public office, is that they are thinking in terms of the Middle Ages and of the days of King George III. They believe in the Tory doctrine that we repudiated in the American Revolution; in the suppression of intelligence that is practiced by the insane despot, Hitler, when he burns the greatest literary works of the ages because he does not agree with some of them; and in the dogma of the British colonial governor who, before the American Colonies revolted and founded the United States, "thanked God that the Colony he governed had no free schools that might arouse discontent among the masses."

I want to tell the gentleman something else. I have remained day after day on the floor of this House, and I have taken particular notice of the gentleman. I have listened to his yapping——

Mr. TABER. Mr. Speaker, I demand that the gentleman's words be taken down.

Mr. FOULKES. At every opportunity that presents itself.

Mr. TABER. Mr. Speaker, I demand that all of his words be taken down, and I specify particularly the word "yapping."

Mr. BYRNS. Will the gentleman specify the words he wants taken down?

The SPEAKER. The gentleman will specify the particular words he wants taken down.

Mr. TABER. I demand that all of his words be taken down, and especially such words as "yapping."

Mr. BYRNS. That is not unparliamentary. I do not think it is subject to criticism. The gentleman has the right to use any word he wants to use which expresses his sentiments.

Mr. MARTIN of Massachusetts. The gentleman from Tennessee does not think that is a word that should be used in parliamentary debate?

Mr. TABER. The present Speaker has ruled that that is not in order.

Mr. BYRNS. I would not use the word myself, but I do not think it is particularly objectionable. I will not say anything further, because the gentleman might want my words taken down. You know in some assemblies there is always a lot of yapping.

Mr. FOULKES. May I ask the Speaker if the word "yapping" is unparliamentary?

The SPEAKER. The Chair will rule when the words are taken down.

The Clerk will report the words.

The Clerk will report the words objected to.

The Clerk read as follows:

And I have listened to his yapping at every opportunity that presents itself.

Mr. TABER. There was a lot more to it than that. There were personalities all the way through.

The SPEAKER. The gentleman will indicate the further words he wishes taken down.

Mr. TABER. The gentleman from Michigan [Mr. FOULKES] stated, in addition to the words the Clerk has reported, that I went back to the Middle Ages, and he said a lot of other things that altogether were highly improper and unparliamentary.

The SPEAKER. With reference to the words so far taken down, the Chair finds, by consulting Webster's Dictionary, that the word "yap" means "to talk loudly; chatter; scold."

The Chair holds that is not objectionable language. Are there any further words the gentleman desires taken down?

Mr. TABER. It was meant in a way that is entirely contrary to the ruling of the Chair which was made with reference to the remarks made by the gentleman from Texas, with reference to the gentleman from Pennsylvania [Mr. DITTER].

The SPEAKER. The Chair cannot rule in the matter until he gets the words. The Chair has ruled on the word "yap."

Mr. SABATH. Furthermore, Mr. Speaker, it cannot be denied——

Mr. RANKIN. Mr. Speaker, I demand the regular order.

Mr. BYRNS. Mr. Speaker, has the gentleman's time expired?

The SPEAKER. It has expired.

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. FOULKES. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. The gentleman's request comes too late.

THE NEW DEAL IN CONNECTICUT

Mr. KOPPLEMANN. Mr. Speaker, as the history-making Seventy-third Congress nears its close, it is appropriate to pause, take inventory, and ask: "What has the new deal meant to Connecticut?"

What does the future under this awakened, revitalized, understanding plan of government mean to Connecticut?

The first of these questions requires but a review of the record of Congress since the inauguration of Franklin Delano Roosevelt as President of the United States, March 4, 1933.

The second, while at first glance it might appear to be one inviting nothing more than mere conjecture, will, upon further inquiry, be found to be predictable with an uncommon degree of assurance.

Connecticut is an industrial, commercial, and agricultural State, with a great variety of interests, not conflicting interests, but ones which, nevertheless, require specialized thought and treatment. No political or economic panacea suffices to meet its problems; no old-deal theory of special privilege is acceptable to its institutions. It requires, and I am happy to say that it has, under the leadership of President Roosevelt and the cooperation of this Congress, received for the first time the especial consideration which points the avenue to complete and lasting recovery.

Connecticut has observed with great satisfaction the orderly development of the well-rounded program of legislation which it has been our privilege to write on the statute books. Led by a great man in the White House we have gone well along the road not only to recovery from a temporary depression but also to insurance against recurrence of conditions such as were visited upon our Nation during the preceding administration. This Congress has ripped by their very roots the principal sources of the depression and has charted a course for further exploration where experience dictates its wisdom, and for retrogression where that policy is found to be wise.

Government, like the universe itself, is an animate, constantly moving thing. It must, and under this enlightened administration does, adjust itself to new conditions. Congress cannot write laws; then dismiss them from mind. There is need for constant attention and study, for close observation. It has been my policy, and that of many others in this body, to follow every public act of Congress, to study its effects, its advantages and disadvantages, and the benefits that accrue. Only by such study can we be equipped properly to fit into the legislative structure those other laws now in process of formulation, which are necessary to create a lasting prosperity.

To know what the new deal has meant to Connecticut, as I have before commented, it is necessary to know her problems. In Connecticut is manufactured just about everything that is fabricated from raw materials. (I am frequently reminded by my good friends from the Southern States that we once carried that truth to the point of manufacturing and marketing wooden nutmegs and, with Yankee ingenuity, created a market for them in the South.)

The diversified industries which gave employment to so many thousands of my people felt the blow severely when the business slump came. Factories which had never before known a business pinch in a century of operations, others which in the post-depression period sprang up—monuments to the industry, ambition, and faith of Connecticut investors and artisans—found themselves unable to obtain working capital through the usual channel of credit, the banks. Perfectly solvent, with orders on file, but needing a small but unobtainable amount of cash, they faced destruction while within the immediate grasp of prosperity.

This situation gave me no end of concern, but I am proud to say that I sponsored a bill setting up a program for direct loans to small industries and mercantile establishments, the principles of which have been enacted into statute law. Today relief to small industry is available, yet the passage of that law need not necessarily cost the United States Government one cent over and above administrative costs.

The success of this bill leads me to the belief—and I propose to continue my study of the subject—that a permanent program for industrial and mercantile relief against business "rainy days" is feasible. Meanwhile, Connecticut industries and business establishments are reaping a much-needed and deserving benefit.

Connecticut agriculture, especially in my own district, is made up principally of leaf-tobacco growing and milk production. The Seventy-third Congress has been mindful of their needs. With the permission of my distinguished friend and coworker, Congressman KERR, I had the honor of writing portions of the bill which is graced by his name—the Kerr tobacco bill. This bill, in my opinion, places in the hands of the Connecticut River Valley tobacco growers the instrumentality by which they can, for the first time, work out their production and marketing problems.

It is based upon a new theory and naturally must be considered in a degree an experiment, but it is one of great promise. After it has been in operation for 1 year we shall be in a better position to determine in what respects it needs expansion and where modification is suggested. I am particularly interested in this problem, and look forward to the acquisition of much valuable information on the subject in the months to come.

The great spread between the prices which milk producers of my district have been receiving for the product and the prices which consumers have been paying for milk has long had my attention. Disclosure that there is unquestionably a Milk Trust operating in the United States, creating monopoly which has crushed the producer and wrung heavy profit at the expense of the consumers, prompted me to introduce a resolution which, with your cooperation, passed both Houses of Congress, calling for a Nation-wide inquiry by the Federal Trade Commission. My office has received scores of letters from milk producers the country over subscribing to this inquiry and citing the benefits certain to accrue to Connecticut producers and consumers through this, another action of the new-deal Congress.

Common to agricultural, industrial, and mercantile workers has been the problem of maintaining the homes which represent, in most instances, a lifetime of saving and of planning. The backwash of old-deal principles and theories of government was, as you can readily imagine, disastrous to States such as Connecticut. From the home owners of the once thriving communities of my district came plaintive calls for aid to keep the family roof overhead, and this Congress answered that call with the Home Owners' Loan Act. More recently, and in line with the policy of rounding out our social program, we have enacted the housing bill, with its multiple benefits to home owners, building trades, the durable-goods industries, and so forth.

The unbridled speculation and the securities-market manipulation made possible by the baseless encouragement of the Hoover administration, "Prosperity is just around the corner" were, as we all know, the chief contributors to the legacy of disaster that was handed down by the last administration. I have seen scores of my townspeople financially destroyed by conditions which, I am happy to say, we have legislated out of all possibility for the future. This Congress has enacted the Federal securities bill, which relegates the destructive principle, "Let the buyer beware", and institutes a new one, "Let the seller beware." No longer must an investor buy a poke in a bag. That law requires the full and frank disclosure of facts that every purchaser is entitled to have. Again rounding out a task well begun, but not left half done, Congress has passed the stock-exchange control bill, a measure that rips up by the roots the basic vices of stock-market machinations and insures legitimate trading under the watchful eye of the Government. This subject is, we must all concede, a very large one. As a member of the House Committee on Banking and Currency, I have been charged with a responsibility, which I gladly accept, of inquiring deeply into this and other financial matters that affect so many of our people. I feel that the broad groundwork of information that we have acquired, as members of that committee, will serve us in good stead in our future considerations of these subjects.

It was not only those whose financial inclination led them into the field of speculation who suffered from the financial upheaval of the modern "dark age." The conservative and frugal depositors in many banks thought to be sound were dealt a crushing blow, as great a blow as those who had turned to the stock market for quick profits. We have made some progress in the direction of relieving those depositors through the so-called "bank pay-off" bill, which permits Federal purchase of assets of closed banks,

but the most important step taken, in my opinion, in the history of banking is the bill adopted by this Congress for insuring bank deposits. The Federal Deposit Insurance Act opens new vistas for study on the part of those who recognize the importance of a sound banking structure.

No words of mine are necessary to tell of the benefits that have accrued to the people of my district through the many direct relief agencies. Hundreds of boys, the sons of the finest parents in the land, were saved from a condition too close to vagrancy through the Civilian Conservation Corps, which has built strong and healthy bodies and minds for many of our youths; the C.W.A. and the F.E.R.A. have given jobs to hundreds who walk the streets of my district with heads uplifted, enabled to earn an honest week's pay by the toil they have been eager to expend; the National Recovery Act has placed industry and business on a sound footing, has wiped out competitive abuses, has scotched child labor for all time and has insured a decent wage.

What has the new deal meant to Connecticut?

The answer is simple: It has instituted a forward march on the part of Connecticut business and industry back on the road to prosperity; it has fed the hungry; given work to the jobless; constructed parks, highways, bridges, and public buildings in my State; it has guaranteed the investor and the depositor against the onslaught of special interests; it has been beneficent to the tobacco grower and the milk producer; it has bolstered the greatest bulwark of our national life by saving the homes of thousands; it has restored the American Government to the American people where it rightfully belongs and from whose custody it should never again be wrested.

PROPOSED DRAINAGE LEGISLATION

Mr. DOXEY. Mr. Speaker, there are on the Consent Calendar and also on the Union Calendar several bills reported from the Committee on Agriculture by myself, which I have discussed with you—one in particular with regard to proposed drainage legislation, H.R. 8389.

Mr. Speaker, you will remember in our conference a few days ago you very kindly expressed the thought we could probably bring this bill up soon under suspension of the rules because Congress would be in session about 1 week longer. For this consideration, I am thankful to the Speaker. It is now evident, however, that this session will close very shortly, and I wish to thank the Speaker and to say that under the prevailing conditions I realize the Senate would hardly have time to pass the bill even though we should be successful in passing it at this time in the House, and I shall not ask the Speaker to recognize me to suspend the rules, because I think it would be a vain thing to do as we all know the legislative complications that confront us this near adjournment. I thank the Speaker, however, for this privilege and assure him that I appreciate it very much.

Indeed, I am grateful for this opportunity to say a few parting words to my colleagues as we approach the end of the second session of the Seventy-third Congress.

This has been a busy and memorable session. We have made history. Constructive and far-reaching legislation has been enacted. The Members of this House have their different views and they are entitled to them. Nature and necessity so decree. However, generally speaking, Congress has followed the leadership of our great and beloved President, Franklin Delano Roosevelt, and cooperated with the administration in the heroic efforts of administering relief to the distressed, helping those who are deserving, attacking depression from many sides, and gradually, yet surely, restoring prosperity throughout the land we love.

It is not my purpose to describe conditions as they existed prior and up to March 4, 1933, when this administration came into power. Those critical times are deeply impressed upon us all. We all agree that we were faced then and have since been faced with some of the most complex and perplexing economic problems that ever confronted this Government. We as a people were in the depths of an unprecedented depression and on the verge of an economic collapse. Drastic and quick action was imperative. Our President met the situation with dauntless courage and matchless leadership. Congress supported him with devotion and wisdom. Emergency legislation was fashioned and speedily passed.

During the special session of the Seventy-third Congress we passed, and there was enacted into law, some 12 major constructive administration measures.

The second session of this Seventy-third Congress, which will soon close, has enacted some 25 major administration measures.

Naturally, many of these measures are classed as "emergency legislation." More permanent and far-reaching legislation is in the making. Necessarily, it will require time, talent, constructive thought, and united efforts to effectuate this program. To illustrate what I mean: At the beginning of this administration agriculture was the first industry to be considered by Congress. No one doubts that the millions of dollars that have gone directly to the struggling farmer throughout the country saved our country from complete economic chaos. The relief granted the taxpayers and debt-burdened home and land owners is one of the brightest spots in the achievements of this administration. However, there is yet much more work to be done and many adjustments to be made in the operation of the governmental machinery used in bringing about the desired results set forth in the legislation already enacted.

If we are to have a planned industry, we must have a well-rounded and planned agriculture, not only as to production but also as to marketing and distribution, for agriculture to survive.

These complete plans have not as yet definitely taken shape, but I know some of the greatest minds and the best friends of agriculture are working day and night to perfect these plans.

The same thing applies to our monetary system, banking reforms, Government guaranty of bank deposits, recovery plans, loans to small industries, labor problems, unemployment insurance and old-age pensions, civil employment and public-works construction, reforestation, flood control, fertilizer and power at Muscle Shoals, regulation of stock and commodity exchanges, including cotton, social reforms, foreign trade and international relationships, cancelation of foreign debts, tariff, veterans' legislation, military and naval defense, Federal funds for schools and roads, readjustment and economy in government, and like matters of great concern to us all. The Seventy-fourth Congress will be a momentous one; and I hope that if not all at least a large majority of the present Democratic Members will be returned here to give the benefit of their experience and knowledge to the tasks ahead of us.

The American people throughout this Nation appreciate the grave responsibilities resting upon Congress and full well realize that it will take wise, patriotic, unselfish, and united efforts to restore this country to normalcy.

When and how, the future will reveal. Yet we all are confident that we are on the road and will go forward and approach or reach the goal by carrying on and following through with the general policies of the Roosevelt administration.

Sincerely and deeply I feel that our efforts will be rewarded and appreciated by our people whom we have tried to serve.

It would be a trespass upon your time for me to review the accomplishments of this Congress and this administration. Permit me in passing, however, to say to our Speaker, our leader, our committee chairmen, and other leaders, the members of my committee, and the Membership generally that we have fought a good fight and kept the faith.

My colleagues, always will I cherish our associations and value most highly the friendships here freighted and laden with so many pleasant memories.

You have in many, many ways testified to your friendship and confidence in me. To say that I am appreciative is putting it mildly.

With your permission, may I briefly give a synopsis of my record during this present administration and some facts and figures incident thereto.

The measures I have sponsored, the bills I have introduced, the efforts I have made, the positions I have taken, and the votes I have cast are matters of record to which I invite your attention.

Today I am the second ranking member on the great Agriculture Committee of the House of Representatives, which has done as much for the country as any other committee in Congress. This exclusive and powerful committee is composed of 25 Members of Congress. Because the work of the Committee on Agriculture is of such magnitude and the duties are so exacting, no Democratic member of it is permitted to serve on any other committee.

Since March 4, 1933, when President Roosevelt announced his general recovery program, there is no committee that has had more work or played a more important part in the passage of legislation than the Committee on Agriculture.

After the various bills and relief measures were steered through the House by the Committee on Agriculture and passed by the Senate and it was necessary for the House and the Senate to iron out their differences before sending the legislation to the President for his signature, I was in every instance selected by the Speaker of the House, Mr. RAINEY, as one of the House conferees.

Some of the more important measures, where a conference by either branch of Congress was demanded before the measures were signed by the Speaker of the House, the President of the Senate, and the President of the United States, on which I served as a conferee were Agricultural Adjustment Act; crop production and marketing; refinancing of farm debts; 1934 crop production loans; amendments to Agricultural Adjustment Act to include cattle and other commodities as basic commodities, Bankhead Cotton Control Act, and amendments to Agricultural Adjustment Act to include sugar beets and sugar cane as basic commodities.

In September 1933 I was selected by the Southern Cotton Conference, held in the city of Washington, as one of the nine men to present the facts to Mr. Roosevelt and the Secretary of Agriculture in an effort to have the Government pay to the cotton farmers of the South at least 10 cents per pound for their cotton. This committee worked for days on this and finally their efforts were crowned with success, and last fall the Government guaranteed and paid at least 10 cents per pound for cotton and gave cotton farmers the privilege of the cotton-option plan. The cotton plow-up checks and the rental benefits, whereby all of us, either directly or indirectly, have been benefited, were the direct results of the provisions of the Agricultural Adjustment Act.

I have worked in season and out of season to raise the level of agricultural commodity prices for the benefit of the producers and to furnish ready money for the relief of agriculture in general, for the crop producers, for the taxpayers of the various levee and drainage districts throughout the country, and for long-time loans at a low rate of interest for those whose homes and farms were mortgaged.

As chairman of a subcommittee I handled and reported some of the most important pieces of legislation considered by the full Committee on Agriculture during this administration, as shown by the printed hearings.

Never in the history of this Nation has any administration tried to do for agriculture what this Roosevelt administration has done for the benefit of the farmers. By virtue of the program Mississippi alone has received cash benefits amounting to over $10,000,000, paid the farmers as of March 31, 1934, for the cotton plow-up under the cotton-reduction program of 1933.

The 10 counties comprising the Second Congressional District of Mississippi, which I have the honor to represent in Congress, has up to April 1, 1934, received more than a million and a quarter dollars in plow-up checks under the reduction program of 1933, as follows:

Benton	$44,432.13
De Soto	158,647.15
Lafayette	79,273.41
Marshall	140,476.26
Panola	157,440.99
Tallahatchie	273,457.86
Tate	105,111.87
Tippah	112,911.15
Union	105,939.69
Yalobusha	52,018.81
Total	1,229,709.32

In addition to this amount, Mississippi, under the reduction program of 1934, wherein rental benefits are to be paid, will receive more than $13,000,000. The payment of these rental checks to the individual farmers began in May 1934 and will continue throughout the year, and each county will receive its proportionate share in this program, just as was done under the plow-up program.

These benefits, of course, do not include the benefits derived from the Government paying at least 10 cents per pound to the producer for his cotton and giving the farmer the benefit of the cotton-option plan.

There has also been recently established in the Second Congressional District of Mississippi a national forest reservation with a potential acreage of at least 200,000 acres, known as the "Holly Springs National Forest." There is already under contract for purchase for this particular unit about 50,000 acres, amounting to approximately $250,000.

The Government is developing this particular forest unit as rapidly as possible.

Mississippi today has six national forest units resulting in the expenditure of several million dollars in Mississippi. The establishment and purchase of these national forests throughout the United States is within the jurisdiction of the National Forest Reservation Commission; the development of the forest units is the work of the Federal Forest Service. The Commission's membership is officially selected and consists of the Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, two United States Senators, and two Congressmen. I am the Democratic Congressman on this National Forest Reservation Commission.

Since I have been a member of this Commission, no State in the Union has received more direct benefits under this far-reaching program than has Mississippi.

According to the present plans of this Commission, the purchase of worn-out and submarginal lands, the development and reforestation of the forest units, the erosion and conservation work, and the efforts to control the flood waters in the upper watersheds of our section of Mississippi, have just begun. I spent most of the summer and fall last year working on this program. Far-reaching and permanent results have already been obtained.

The Second District of Mississippi today has more C.C.C. camps located within it than any congressional district in the State of Mississippi. It is the only district in Mississippi that has camps located on privately owned land, the policy being to locate these C.C.C. camps on Government- and State-owned lands throughout the United States.

The beneficial results to the boys themselves, their dependents, and the communities in which the camps are located are self-evident.

Results in Congress are obtained by virtue of the Member occupying key positions. Senority as well as ability, coupled with a Congressman's standing with his colleagues and associates, place him in these key positions. Length of service is as necessary as the kind of service rendered in order to really register in Congress. I have served my apprenticeship here and with modesty yet with pride, I say I have grown in this field of endeavor.

The record shows I have had some key positions in helping to shape the policies of this administration.

Whether Congress is in session or not most of us devote our entire time to the duties incident to the office. The various types of legislation demanding our thought, our committee work and activities on the floor of the House, our contacts with the many different departments of government ever increasing, our office work and personal attention to the many, many inquiries and requests of our con-

stituents, continuously keep us busy. I have always been on the job and tried to do the best I could.

My record is—results, not promises. [Applause.]

THE MILITARY AFFAIRS COMMITTEE

Mr. COCHRAN of Missouri. Mr. Speaker, I offer a privileged report from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 439

Resolved, That the Committee on Military Affairs is hereby authorized to expend not exceeding the sum of $20,000 in addition to the amount authorized to be expended by House Resolution 284, Seventy-third Congress, second session, to continue the investigation authorized and directed by House Resolution 275, Seventy-third Congress, second session, such additional amount to 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.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. How much is this appropriation?

Mr. COCHRAN of Missouri. The Committee on Military Affairs was authorized by the Rules Committee to conduct an investigation, and in the original resolution there was a limitation of $10,000 for expenses. The Committee on Military Affairs appointed a subcommittee and this subcommittee has been carrying on an investigation behind closed doors for more than 4 months. They have disclosures sufficient to warrant them to go before the Rules Committee again and ask for an additional appropriation of $20,000. The House passed that resolution. Yesterday, the subcommittee, which is composed of 4 Democrats, 3 Republicans, and 1 member of the Farmer-Labor Party, appeared before the Committee on Accounts.

A scandal that will arouse the people of the country and, in all probability, open the doors of penitentiaries to Government officials will undoubtedly be the result of this investigation.

If the Members of this House could have heard those who constitute the investigating committee disclose their findings to date they would realize the necessity of this appropriation.

I have been a member of the Committee on Accounts for 8 years, and never before have I heard members of an investigating committee submit such a statement. Of course, the House is entitled to an explanation, but I am, in my opinion, limited in disclosing the findings of the committee in its work up to the present time. I do, however, feel justified in saying that this committee has been in executive session for over 4 months. Its organization followed the investigation by the War Department and by the Federal grand jury in Washington, which failed to result in the indictment of anyone or the court-martialing of any officers of the Army. At the outset the members of the investigating committee felt there was little to the investigation, but gradually they secured leads which developed sensational facts. There are four expert accountants of the Comptroller General's staff, as well as a representative of the Attorney General, now assigned to the committee.

I might go further and say that Government agents are accused of receiving retainers from firms and corporations that have been selling supplies to the Government.

This investigating committee has disclosed that by requiring the War Department to change specifications for the purchase of supplies in the last 4 months it has already saved the Government hundreds of thousands of dollars. It has been examining specifications before contracts for supplies are let and has changed specifications which resulted in competition, whereas if the original specifications had been permitted to stand some particular individual or firm would have had practically a monopoly on the business, which, of course, would have meant an exorbitant price to the Government for the supplies needed.

It so happens that there was called to my attention a few weeks ago the specifications for the purchase of fire extinguishers. The manner in which these specifications were originally drawn was such that they favored a New York firm. I demanded at the time that the specifications be changed so as to permit all firms engaged in the industry an equal opportunity to bid, threatening to take the matter to the President if the specifications were not changed. The specifications were changed to the satisfaction of the firms complaining. That ended my connection with the case, and I have never taken the trouble to learn who was the low bidder. This is simply cited to show how business was being conducted by the War Department.

When you take into consideration that hundreds of millions of dollars are spent annually for the purchase of supplies by the War Department you will readily understand what this committee is confronted with in its investigation.

The results so far disclosed by this committee warrant this House in passing this resolution without delay. When men like Mr. McSWAIN, chairman of the committee, Mr. JAMES, Mr. GOSS, Mr. ROGERS of New Hampshire, Mr. KVALE, Mr. MONTET, and others, who have long served on the committee handling the affairs of the Military Establishment, say that they are utterly amazed at the revelations, you can realize its importance.

The investigating committee is nonpartisan, consisting of 4 Democrats, 3 Republicans, and 1 member of the Farmer-Labor Party. The investigations not only apply to the present but years past. It is the duty of the Congress to give our colleagues all the support necessary in order that the guilty might be punished.

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

Mr. COCHRAN of Missouri. Yes. I am sure my friend, who always fights corruption, will be for this resolution.

Mr. BLANTON. I am in hearty accord with everything that this committee is doing. It is doing splendid work. If it can accomplish what it started out to accomplish, this sum will be a mere bagatelle. I think this is one committee whose investigation is well worth while, and every dollar it needs we ought to give to it.

Mr. MARTIN of Massachusetts. How much will it cost?

Mr. COCHRAN of Missouri. The investigation will cost $30,000 in all. We have already given them $10,000 and this provides for $20,000 additional.

Mr. Speaker, President Roosevelt has created the Procurement Division in the Treasury Department. Its purpose is to concentrate under one head the purchase of supplies for the Government. As yet its powers do not extend to the War and Navy Departments. The President, in my opinion, should not hesitate a day to issue the proper Executive order and place the purchasing division of every Government agency in the Procurement Division. It would save the Government millions. I would not only give this power to the Procurement Division but I would go further and give the Director of Procurement the last word in all contracts and specifications, including ships for the Navy and ordnance for the Army. The sooner all such activities are concentrated under one head the better it will be for the taxpayer.

Mr. BLANTON. It is delving into a subject that involves hundreds of millions of dollars.

Mr. COCHRAN of Missouri. They have already saved the Government several hundred thousand dollars.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

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

The resolution was agreed to, and a motion to reconsider laid on the table.

RESIGNATION FROM A CONFERENCE COMMITTEE

Mr. WARREN. Mr. Speaker, I am on the conference committee on the archives bill, H.R. 8910. That conference committee will meet in a few minutes. I have another meeting to attend at that time, and I ask unanimous consent that I may resign as one of the conferees on the archives bill.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Ohio [Mr. SECREST] in the place of Mr. WARREN; and the Clerk will notify the Senate of the resignation and the appointment.

ADDRESSES OF REPRESENTATIVE BECK

Mr. BLANTON. Mr. Speaker, our distinguished colleague the gentleman from Pennsylvania, Mr. BECK, who was a former Solicitor General of the United States, knows nothing of the request that I am about to make. All of us older Members here remember the brilliant addresses of our colleague, Mr. BECK, made in this House since 1927, on the Constitution of the United States and in memory of Washington, in memory of Jefferson, in memory of Marshall, in memory of Joffre, in memory of Foch, and others, which I think ought to be preserved in a single printed document. They are absolutely nonpartisan. No partisanship enters into them. I should be glad if every school child in my district had a copy of them.

I ask unanimous consent that these splendid, patriotic addresses, together with the addresses on the Constitution, made by our colleagues, Mr. BECK of Pennsylvania, be printed as a House document.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Will the gentleman tell us how many copies he expects to have?

Mr. BLANTON. Just as many as may be printed without going to the Committee on Printing for special permission.

Mr. BYRNS. Has the gentleman conferred with the gentleman from North Carolina [Mr. LAMBETH], Chairman of the Committee on Printing?

Mr. BLANTON. No; I have not had the time, I have been so very busy. I am asking for just as many as may be printed without having to go to the Committee on Printing.

Mr. BYRNS. I wish the gentleman would defer that request until he can confer with the Chairman of the Committee on Printing.

Mr. BLANTON. Mr. Speaker, I withdraw the request for the present.

LIBERAL LEGISLATIVE POLICY WOULD SPELL ADVANCE FOR AMERICAN FARMER AND LABORER

Mr. JOHNSON of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address delivered by me a few days ago.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Minnesota. Mr. Speaker, we are now in the closing week of the Seventy-third Congress and in the closing week of a Congress that should and could have spelled the greatest advance in liberal legislation since the drafting of the Constitution and a Congress that would have marked the greatest stride of our great masses of citizens toward human and social happiness.

It is impossible for me to do other than review briefly what has been enacted into law by the special session. At the outset of this session the President let it be known that he would need legislation along many fronts to combat the depression that this country was then in the midst of. As a member of the Farmer-Labor Party I was sent here by the voters of Minnesota to support legislation that would bring adequate relief to the farmer, the local merchant and banker, the laborer, and the great masses of American citizens who were feeling more acutely the need for a strong Federal program.

The Farmer-Labor Party supported President Roosevelt not only in his drive to be elected President of the United States but in a large sense his emergency program for recovery, although, mind you, they were not in any sense pledged to him by any party affiliation. Although this session and the emergency session has not enacted into law the progressive program that the liberal voters of my State have advocated and are seeking, nevertheless the President has provided, I believe, the stepping stone for legislation that will provide adequate protection and liberal enough provisions to enable them to enjoy living in the world's greatest and richest country.

It was my hope as a member of a liberal third party to see enacted into law a sound and pronounced measure for refinancing of American agriculture. To this end I supported and worked for the passage of the Frazier-Lemke bill. It is one of the great regrets in my legislative career that I could not see the passage of this measure in the House. This bill has the indorsement of the farmers, the business men and the State legislature of my State; it is a part of the platform of the Farmer-Labor Party and has been supported by my party since its introduction into the Senate and House.

I had hoped that the passage of the Agricultural Adjustment Act would have created better prices and parity for the farmers, although there has been a marked increase in the cash income of the farmer through this bill, it is unfortunate that the Department must continually fight chiselers and profiteers that will not go along with the administration in a sound program for farm recovery. I should have liked to see enacted into law by this Congress the Swank-Thomas bill for cost of production features for the farmer in the sale of his product. A level must be set upon which the farmer can accurately determine his cost of production so that he may collect a reasonable profit. For years our farmers have been working at a loss and it has forced everyone into debt. Mortgage obligations coupled with high interest rates prevent the farmer from showing anything but a loss for his untiring efforts in producing the country's food and dairy products.

Every farmer now burdened by mortgage indebtedness and fear of losing his home will rejoice in the knowledge that today in the last minutes of the session this Congress has passed the Lemke moratorium bill which briefly will provide for court arrangement between the farmer and creditor and where a scaling down of the debt can be arranged. The bill further provides an interest rate of 1 percent on the principal and interest and taxes. The beneficial portion of this bill makes it possible for the farmer to retain possession of the farm under court order for 6 years with a reasonable rental and interest fixed by the court. This is indeed, one of the best measures to be enacted in Congress and I want to congratulate Congressman LEMKE for his fine work in behalf of this measure.

The Farmer-Labor Party has urged adequate State and Federal old-age pensions. They stand ready to enact into law liberal social legislation which this Congress has failed to do, namely, unemployment insurance, pension measures, and short work week with good wages for labor.

The President, in asking for the passage of laws to regulate the stock exchange, has, I believe, the great investing public of this country behind him in his efforts to make bond and stock investments more exacting and less of a gamble. The President has asked for the authority to deal with foreign nations and to enter into trade agreements with these countries, and I supported the Chief Executive in this measure, because I feel that he is in a strategic position to dispose of our surplus and to again restore a two-way street with our foreign neighbors.

Congress has granted the President the power to revaluate gold, and now they have given him authority to establish a ratio for silver and, under these two metallic measures, he can inflate our money to a point where it will be on a parity with meeting our present-day conditions.

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 millions of men and women out of work, although they were willing and able, and alarming conditions of unrest hovering in every corner of the Nation, Congress, through the leadership of President Roosevelt, appropriated and planned huge work-relief and public-works planning measures that would immediately take out of the ranks of unemployed more than 4,000,000 men and women. Once at work these persons put their pay-roll checks into the purchasing power of the Nation and it was not long before industry had called back

2,000,000 persons to work, and inside of 1 year's time more than 6,000,000 have been taken off of the unemployed lists.

Differing with the President in the special session on the Economy Act and voting against the passage of this measure which so unfairly and unjustly dealt with our former soldiers and Federal employees, I naturally was much pleased when the opportunity was presented at the regular session to vote for a repeal of the major portions of this act insofar as it affected the veterans of our wars and the great army of Government employees.

May I state at this point that I am solidly behind economy in Government operation and that many of the bureaus and departments created under previous administrations can and should be merged. I do not, however, believe in cutting wages of low-paid Government employees. I have advocated on this floor the slicing of salaries over $6,000, and have myself introduced a bill during the special session to cut salaries from $10,000 a year to $7,500 for Members of Congress. I worked for this amount in the Senate and it was completely ample. I do not believe in picking the pockets of wage earners to balance a Government Budget while we continue to vote millions of dollars for ship and air subsidies, and while we continue to loan billions to our European debtors without ever receiving a penny in return.

I am voting against the adjournment of this Congress because I feel that there is still a great amount of beneficial work left to be done. I feel that measures now in Congress should be made law. Farmers have through their farm organizations been seeking a measure for price parity. Such a bill is now in Congress and should become a law. Labor has sought, and is still asking for, the passage of a bill which will assure them fair wages and collective bargaining, and such a bill is before this body for action and should be passed. These social and economic acts affect millions of persons and their daily lives, and if this Congress can make them a happier people, then it should not be afraid to shoulder the great responsibility that goes along with major changes in a system.

Although we are headed for better times, real inroads on the depression have not yet been made. It is true confidence has been restored. Much of the panic that assailed the Nation a year ago has left, and in its place we find a hard-working, sober-minded people anxious to do the task set out for them, but we can and must help to make that load easier. Prosperity can only be definitely on the way when we return purchasing power to the farmer and laborer as these two great groups of consumers form the basis upon which industry and business can look for substantial recovery; and, consequently, we must legislate in such a way so as to establish benefits for them.

LABOR BOARDS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 375, to effectuate further the policy of the National Industrial Recovery Act, which I send to the desk and ask to have read.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Is this the so-called "Wagner substitute bill"?

Mr. BYRNS. This is the bill that we have been reading about in the newspapers in the last 2 or 3 days. The bill, as originally published but not introduced, and which has the support of the administration, was taken under consideration, so the newspapers state, and so I have been told, by a conference of the minority of the Republican Members of the Senate. They suggested one or two amendments, which have been incorporated in this bill, which is an exact copy of the bill introduced by Senator ROBINSON of Arkansas in the Senate, and which I introduced in the House. I understand that the minority of the Senate are agreeable to the passage of the resolution.

Mr. MARTIN of Massachusetts. Does not the gentleman think that we ought to have some explanation of the resolution? It is a very important matter. Has it ever been to any committee in the House?

Mr. BYRNS. No; it has not. I introduced it only yesterday afternoon after the various conferences which were held had agreed upon the bill. I introduced it at the earliest possible moment thereafter.

Mr. MARTIN of Massachusetts. There are a great many people interested in this bill. They were not aware of the fact that it was to come up at this early hour, and I do not think we ought to give unanimous consent at this time. I wish the gentleman would defer his request until a little later.

Mr. BYRNS. I feel that if we are to get away tonight, it is important for the House to take action on this bill now. The gentleman knows that the Senate has under consideration at this moment the housing bill. Of course, no one knows how long that will take in the Senate. It is a complicated measure and ought to be considered by the Senate and passed so that it can go to conference, and the differences, if any, between the House and Senate be composed so as to pass it at the earliest possible moment.

It is important that this bill be passed now so that it can be sent to the Senate and can be taken up by the Senate, and become law. So, I think, it is important the matter should be taken up now.

Mr. MARTIN of Massachusetts. I do not see how there would be any particular delay by postponing it an hour or so.

Mr. BYRNS. This bill, together with comments about it, has been printed for 2 or 3 days. I do not think there is anybody in this House who is not familiar with the provisions of the bill. Anyone who has read the Washington papers should know about it. It was published in full this morning and it was published yesterday.

Mr. MARTIN of Massachusetts. I have not had an opportunity to read it until just this moment when it was passed to me by the Clerk.

Mr. BYRNS. I understand this bill is acceptable—it is only an understanding—to all Members of the gentleman's party in the Senate. I may be mistaken about it. Senator McNary, who is the leader of the Republican minority in the Senate, is quoted in this morning's paper as saying that the bill is satisfactory.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BYRNS. Certainly.

Mr. O'CONNOR. The gentleman will recall the Railway Labor Act which we passed yesterday. That even goes further than this particular resolution. This resolution is not much different from the Railway Labor Act which passed this House yesterday, except that this resolution is even milder than that. Now, Congress has already provided for the settlement of labor disputes as far as employees of the railroads are concerned. This mild resolution is as to other industries, and surely should not be objected to.

Mr. MAPES. Mr. Speaker, reserving the right to object, and I do not expect to object, I read the draft of this resolution as it appeared in this morning's paper, with as much care as I could. It was the first time, however, that I have been able to see it, and I believe it was the first time it was available. Of course, it is an important piece of legislation. It is the result of weeks of negotiation at the other end of the Capitol. Before unanimous consent is given I should like to have the gentleman from Tennessee explain exactly what the resolution contains, partly for the RECORD and partly to confirm my own conclusions after reading it.

Will the gentleman yield that I may ask him two or three questions, and perhaps we can get at the matter, or what I have in mind, better in that way than in any other way?

Mr. BYRNS. I yield.

Mr. MAPES. In the first place, as I understand it, the life of the resolution is confined to the life of the National Recovery Act?

Mr. BYRNS. June 16, 1935.

Mr. MAPES. The resolution authorizes the President to appoint boards to make investigation of controversies arising out of the National Recovery Act; is that correct?

Mr. BYRNS. Yes.

Mr. MAPES. In the language of the resolution—

The President is authorized to establish a board or boards authorized and directed to investigate issues, facts, practices, or

activities of employers or employees in any controversies arising out of section 7 (a)—

Of the National Recovery Act?

Mr. BYRNS. That is correct.

Mr. MAPES. Is there any provision in the resolution that gives these boards any authority further than to make investigations? Can they put into effect any conclusions of findings or orders which they make, after having made the investigation?

Mr. BYRNS. As I read the bill, it does not, except as carried in the National Industrial Recovery Act. Of course, there is the benefit resulting from publicity.

Mr. MAPES. I agree with the gentleman. The only effect the investigations or findings of such boards can have, as I read the resolution, will be the moral effect and such effect as they may have upon public opinion. Let me ask the gentleman further: In addition to making these investigations, as I understand it, any board so established is empowered, "when it shall appear in the public interest, to order and conduct an election by a secret ballot" of employees to determine who shall represent them in their negotiations with their employers for the purpose of collective bargaining?

Mr. BYRNS. That is true in general terms; yes.

Mr. MAPES. In addition to those two things, does the resolution contain anything except to limit the effect of it to the life of the National Recovery Act?

Mr. BYRNS. That is practically all, as I read the resolution. Of course, there is a provision for the purpose of enabling the board to hold an election and to enforce any orders that it may issue toward holding that election.

Mr. MAPES. Yes; but, as I read the resolution, the only thing it does is to give these boards power to make the investigation referred to and to conduct the elections of employees as mentioned.

Mr. BYRNS. Yes. And to guarantee to the board authority to hold elections, free from coercion either on the part of the employees or the employer, and to insure freedom, in the language of the act, from coercion in respect to those elections.

Mr. MAPES. Yes; I intended to include that in my question.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. O'CONNOR. Now, there should not be any mistake about it. Surely, in the second paragraph of section 2 they have the power, necessarily must have it, to issue an order.

Mr. BYRNS. That is understood.

Mr. SABATH. But only as to that particular matter.

Mr. O'CONNOR. As to that dispute.

Mr. BYRNS. That is involved in the question of the gentleman.

Mr. MAPES. Section 2 relates to election of representatives of employees for the purposes of collective bargaining.

Mr. O'CONNOR. And orders.

Mr. BYRNS. Any order issued under the authority of this section; and this section, as I read it, applies only to the election to which the gentleman has referred.

Mr. MAPES. That is the way I understand it. I wanted confirmation of my understanding by the gentleman from Tennessee.

Mr. BYRNS. Of course, the gentleman understands that while he and I may undertake to construe this act here and now, our construction will have no effect upon the court, if the act ever should reach the courts, or upon the Board in its administration of the act. I have stated to the gentleman frankly my own opinion on the act; and the gentleman stated his.

Mr. MAPES. I understand that, but it did seem to me that we ought to have in the RECORD the expression of someone as to the general content of the legislation before we granted unanimous consent to take it up and pass it.

Mr. SABATH. Mr. Speaker, it is plain and simple; anybody can understand it.

Mr. MAPES. Mr. Speaker, the gentleman from Illinois says it is plain and simple and that anyone can understand it. That may be true if one has had an opportunity to read it but I think a sufficient answer to the statement of the gentleman from Illinois is that probably not half a dozen Members of the House of Representatives have had an opportunity to read the resolution.

Mr. SABATH. The gentleman from Michigan has read it; he understands it, and I am satisfied he knows there can be no misconstruction of the bill.

Mr. MAPES. I may say to the gentleman that it seems to me quite clear; but I may be mistaken, and I wanted to get confirmation of my understanding by the gentleman from Tennessee.

Mr. Speaker, it has been suggested to me that I ask the gentleman from Tennessee this question: There is nothing in the resolution which provides for, or squints at, any compulsory arbitration, is there?

Mr. BYRNS. No; there is nothing in here of that nature, as I read it.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for one observation on the question of legislative intent?

Mr. MAPES. I yield.

Mr. BLANTON. Mr. Speaker, the courts do pay some attention to legislative intent as expressed from the floor at the time legislation is passed. So the observations of the gentleman from Michigan and of the gentleman from Tennessee, being expressions of legislative intent, will have some bearing in the future.

Mr. MAPES. Answering the observation of the gentleman from Texas, Mr. Speaker, I realized that; but we are in such a hurry here this morning that I did not want to take the time necessary to make the statement which the gentleman from Texas has made.

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

Mr. MAPES. I yield.

Mr. BOLTON. There seems to be some confusion in the minds of certain parties as to whether this resolution is the resolution that is supposed to have emanated from the White House, or whether this is the resolution that was written by Mr. Green of the American Federation of Labor. Can the gentleman inform us about the matter?

Mr. BYRNS. I may state to the gentleman from Ohio that this resolution is the result of a conference with the President, and that it has administrative sanction and administrative endorsement. It cannot be said that it was prepared by anybody other than the President of the United States.

Mr. BOLTON. But has it the endorsement of the American Federation of Labor?

Mr. BYRNS. I cannot tell the gentleman definitely as to that.

Mr. BOLTON. The reason for my inquiry is because the newspapers have carried statements to the effect that it was not acceptable to the American Federation of Labor.

Mr. BYRNS. I am not informed as to that.

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

Mr. MAPES. I yield.

Mr. CONNERY. Mr. Speaker, answering the gentleman from Ohio, I may say that I just talked with President Green, of the American Federation of Labor, over the telephone. He asked me to state to the leaders of the House and to the Members that while the American Federation of Labor naturally would have preferred the Wagner bill in its original form, that this late in the day they are not going to ask their friends to vote against this bill.

Mr. MARTIN of Oregon. Mr. Speaker, reserving the right to object, for the purpose of asking a question, is it not the gentleman's understanding that this resolution was prepared by the President after consultation with the leaders of both political parties?

Mr. BYRNS. That is my understanding; yes.

Mr. LEHLBACH. Mr. Speaker, reserving the right to object, I want to ask the gentleman from Tennessee this question: Section 3 provides "that any such board may subscribe such rules and regulations as it deems necessary to carry out the provisions of this resolution."

Does the gentleman agree that this resolution deals with only two specific subjects: Section 1 to make investigation, and section 2 to conduct an election? Consequently, under

this resolution there can be issued no rules or regulations enforceable by penalties save for the production of papers and witnesses with respect to an investigation and for the conduct of an election; is this correct?

Mr. BYRNS. Speaking generally, I think that is correct. But I think we should understand that section 1 gives authority to this board or boards to investigate issues, facts, practices, or activities of employers or employees in any controversy arising under section 7 (a) of the National Industrial Recovery Act, or which are burdening or obstructing, or threatening to burden or obstruct, the free flow of interstate commerce. That is section 1. Section 2 relates to the conduct of elections.

Mr. LEHLBACH. This empowers them to conduct an investigation to inquire into the matter, but are they empowered to conduct an election? The disclosures of an investigation would not justify the issuance of rules and regulations save to conduct an election.

Mr. BYRNS. Not so far as this particular resolution is concerned.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. May I call attention to line 13, page 2, where it says "any order issued by such a board." I took the gentleman's statement to mean that he holds this board has not authority to do anything except to handle these elections?

Mr. LEHLBACH. Yes.

Mr. JENKINS of Ohio. How does the gentleman interpret the language where it says "any order issued by such a board under the authority of this section may be enforced or reviewed" under the rules and regulations applicable to the Federal Trade Commission. What does that mean?

Mr. LEHLBACH. They may order an election and either side may have it reviewed just as an order of the Federal Trade Commission may be reviewed.

Mr. JENKINS of Ohio. Who reviews it?

Mr. LEHLBACH. I do not know what the provisions are. I think they take it to court.

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

There was no objection.

The joint resolution 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.

DEFICIENCY APPROPRIATION BILL, 1934

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate; and that the managers on the part of the House be authorized to agree to all Senate amendments, notwithstanding the provisions of clause 2, rule XX.

The Clerk read the title of the bill.

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

There was no objection.

The Chair appointed the following conferees: Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. AYRES of Kansas, Mr. ARNOLD, Mr. COLLINS of Mississippi, Mr. OLIVER of Alabama, Mr. TABER, Mr. BACON, Mr. THURSTON, and Mr. BOLTON.

MILK INVESTIGATION

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent for the present consideration of House Concurrent Resolution No. 32, with Senate amendment, and move to concur in the Senate amendment.

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

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 4, strike out lines 2, 3, and 4.

The Senate amendment was agreed to.

AMENDMENT OF WAR MINERALS RELIEF STATUTES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution No. 395, and ask for its immediate consideration.

Mr. TABER. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-five Members are present, not a quorum.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 195]

Allgood	De Priest	Keller	Seger
Andrews, N.Y.	DeRouen	Kerr	Shoemaker
Auf der Heide	Dickstein	Kleberg	Simpson
Bacharach	Doutrich	Lee, Mo.	Sirovich
Bacon	Duffey	Lesinski	Sisson
Bailey	Eltse, Calif.	Lindsay	Smith, Wash.
Beedy	Fernandez	Lozier	Smith, W.Va.
Brennan	Fish	Luce	Snell
Brooks	Fitzgibbons	McClintic	Somers, N.Y.
Browning	Fitzpatrick	McKeown	Steagall
Buck	Ford	McLean	Stokes
Buckbee	Frey	McLeod	Studley
Burke, Calif.	Gambrill	Maloney, La.	Sullivan
Cannon, Wis.	Gasque	Marland	Sumners, Tex.
Carley	Gifford	Norton	Swank
Chase	Goldsborough	Parks	Terrell, Tex.
Church	Haines	Peavey	Thurston
Claiborne	Hamilton	Prall	Treadway
Clark, N.C.	Healey	Reid, Ill.	Waldron
Collins, Miss.	Holmes	Richardson	Wearin
Corning	Huddleston	Rogers, Okla.	
Dear	Jeffers	Scrugham	

The SPEAKER. Three hundred and forty-two Members have answered to their names; a quorum is present.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

THE LATE HONORABLE THOMAS C. COFFIN

Mr. MAY. Mr. Speaker, I rise for the purpose of making a few brief remarks upon the life and character of one of our late colleagues.

On the 8th day of this month the grim monster of death that is conquered only beyond the grave invaded the ranks of the Committee on Military Affairs of this House and struck down in the prime of life and young manhood the Honorable THOMAS C. COFFIN, late a Representative in the Congress of the United States from the State of Idaho. He was loved and respected by all his colleagues, by every Member of this House, and recognized as a scholar, a patriot, and a gentleman.

The committee to which he belonged has unanimously in written resolutions expressed its high esteem of the nobility of purpose, purity of character, and qualities of heart of our beloved colleague; and at this point, Mr. Speaker, I desire to include in my remarks a copy of the resolutions of the Committee on Military Affairs.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The resolutions are as follows:

We, the undersigned members of a committee appointed by the Chairman of the Military Affairs Committee of the House of Representatives to draft resolutions upon the life and career of the Honorable THOMAS C. COFFIN, late a Representative in Congress from the State of Idaho, submit the following:

Whereas the Honorable THOMAS C. COFFIN, late a Representative in the Congress of the United States from the State of Idaho, was, upon assuming the duties of his office at the opening of the Seventy-third Congress, assigned to membership upon the Committee on Military Affairs; and

Whereas, after having been assigned to said committee and having served continuously as an able, conscientious, and courageous member thereof until the time of his death on June 8, 1934: Therefore, as an expression of the high regard and warm esteem of this committee for the splendid and unquestioned character and great ability of our late colleague, be it

Resolved, That it is the sense of this committee that in his sudden death and untimely death our committee has sustained

an irreparable loss, his State and Nation have lost an able and distinguished public servant, and his family a devoted husband and father.

The shadows have fallen around us as a noble career has ended, and yet with an abiding faith in immortality we look not in vain to a rich fruition of a broken life, but confidently believe that our loss is Heaven's eternal gain; be it further

Resolved, That as a further mark of respect a copy of these resolutions be spread upon the records of this committee and a copy be sent to his surviving widow, Mrs. Aileen Coffin, Pocotello, Idaho, and to the local newspaper for publication, and that same be printed in the CONGRESSIONAL RECORD.

A. J. MAY,
Chairman Committee.
THEODORE A. PEYSER.
VINCENT CARTER.

THE LATE ROBERT F. NORTON

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

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

There was no objection.

Mr. KENNEY. Mr. Speaker, I regret to announce the death this morning of Robert F. Norton, of Jersey City.

Mr. Norton was one of our distinguished citizens and the husband of our colleague from New Jersey, Mrs. NORTON. For long months Mrs. NORTON has administered to him during his illness, at the same time attending to her affairs here in Washington. Notwithstanding the strain she has been under, Mrs. NORTON has rendered every service to the people of her district, and not only this, she has efficiently conducted the arduous duties of her responsible office as Chairman of the Committee on the District of Columbia. We all sympathize with her in her profound sorrow.

GAMBLING NEAR THE NATION'S CAPITAL

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

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

There was no objection.

Mr. STRONG of Texas. Mr. Speaker, I desire to make a statement to the House concerning crime at the seat of our Nation's Capital. I will make this statement feeling sure that each Member of this Congress desires to see the law of our Nation reign supreme, and especially in the city of Washington, where the laws are made for the purpose of protecting the citizenship of this Nation.

There is in the State of Maryland, just over the line of the District of Columbia, one of the largest gambling dives, no doubt, in the whole world. This gambling den has representatives at many places in the city of Washington who will convey persons in automobiles who desire to visit this lawless den and participate in gambling. The person so conveyed to the gambling den must first satisfy the representative of this den that he has money he expects to use in gambling when he arrives at this lawless place. I am further informed that if any person visiting this gambling hell wins money, the proprietor of that den will furnish him transportation back to the city and a guard to see that he is not held up and robbed in returning to the city with his ill-gotten wealth.

There are also large gambling places within the city of Washington, and I have the names of the persons operating such places and the street number of same. I have information showing that these gambling dens have representatives whose especial duty it is to solicit Government employees to visit these gambling dens.

I am also informed that there is a special gambling place of large proportions in the city of Washington, especially for women, and that the proprietor of this den has women representatives soliciting patrons among the women of our Capital City.

My first intention was to ask Congress for a committee of investigation, but I, being a member of the Committee on Accounts, know what it costs the Government to carry on such investigations and decided to make this statement and notify the officers in the District of Columbia whose duty it is to see that all laws are properly enforced and also to notify the proper officers in the State where the immense gambling concern is located, just over the line out of the District of Columbia, if they do not enforce the laws and put an end to this awful crime—almost in the shadow of the Capitol of our Nation—that I will at the next session of Congress ask for an investigation and take steps to have such officers impeached who fail or refuse to enforce the laws against gambling.

AMENDMENT TO WAR MINERALS RELIEF STATUTES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 395, and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 395

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 7984, a bill to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes", and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, may I inquire if the ranking minority member of the Committee on Rules desires any time on this resolution?

Mr. RANSLEY. Mr. Speaker, we desire the entire 30 minutes.

Mr. COX. The gentleman desires a division of the time?

Mr. RANSLEY. Yes.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY], the ranking minority member of the Committee on Rules, to be yielded by him as he may see fit.

Mr. Speaker, I ask unanimous consent that the pending resolution be amended by striking out "H.R. 7984" and inserting in lieu thereof "S. 3675." The Senate bill has been adopted by that body and is identical with the pending House bill.

The Clerk read as follows:

Amendment offered by Mr. COX: Page 1, line 4, strike out "H.R. 7984" and insert in lieu thereof "S. 3675."

The SPEAKER. Without objection, the amendment is agreed to.

Mr. GOSS. Mr. Speaker, I object.

Mr. COX. Mr. Speaker, I move to amend the pending resolution by striking out "H.R. 7984" where it appears in the resolution and inserting in lieu thereof "S. 3675", and permit me to make the explanation that the Senate bill is identical with the House bill, H.R. 7984.

The SPEAKER. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

Mr. COX. Mr. Speaker, this is a resolution to make in order Senate bill 3675, which is an amendment to the War Minerals Relief Act in certain particulars.

The sole purpose of the bill is to make possible the protection of citizens of the country against losses as a result of their having performed certain acts at great expense to themselves during the war, as a result of requests which may at that time have been taken as commands from authorized agents of the Government.

This bill was introduced by my colleague from Georgia, Mr. VINSON. He is familiar with all prior legislation bearing upon the question involved, and with all court decisions dealing with the question, and is in a position to make clear and satisfactory explanations to the House as to what is intended by the resolution. I now yield 12 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Speaker, the purpose of this bill and the necessity for its passage can be best shown by

the history of the so-called "war minerals relief statutes", which have heretofore been passed by the Congress, and the several decisions of the Supreme Court.

Previous to the World War the United States was practically entirely dependent upon importations for its supply of these minerals. Accordingly when the Government entered the World War the supply of these minerals was almost entirely cut off by reason of the shortage of ships necessary for their importation from foreign countries. Realizing the urgent necessity of these materials for the manufacture of necessary munitions, the Secretary of the Interior through its departments, the United States Geological Survey and the Bureau of Mines, also the War Industries Board, Shipping Board, and other governmental agencies, appealed to citizens all over the United States to open and develop properties known to contain minerals needed, some of which had been partially developed.

Complying whole-heartedly and patriotically with these requests or demands from governmental agencies, citizens in more than 35 States of the Nation patriotically responded, depending upon promises of the then Secretary of the Interior, the late Franklin K. Lane, that he would sponsor legislation to protect these people who responded to the Government requests and demands against loss. In many instances where properties were known to be of sufficient magnitude to supply the deficiencies if large operations were undertaken or existing operations enlarged, direct personal requests and demands were made to the owners and unqualified assurance given insofar as existing authority permitted that these people would be protected by the Government against loss.

As an illustration of the Government activities to secure the minerals needed, the case of the Chestatee Pyrites & Chemical Corporation, of Atlanta, Ga., is cited.

The most urgent necessity appearing to be pyrites for the manufacture of sulphuric acid necessary for the manufacture of all forms of explosives, the Secretary of the Interior, being advised by the Geological Survey of the magnitude of the property of the Chestatee Corporation made a personal direct appeal in writing for enlargement of these operations to supply these ores which theretofore had been supplied almost exclusively by importation from Spain. In reply to this communication the Chestatee Corporation replied in writing tendering its property to the Government and expressed its inability to finance the enlarged enterprise demanded. Whereupon the Secretary of the Interior appealed to financial interests to supply the money for the necessary enlarged enterprise. Complying with these requests the Ashcraft Wilkinson Co., of Atlanta, Ga., financed this enterprise to the extent of $695,000 and the owners of the corporation on their individual credit secured additional financing and purchased machinery and equipment on credit where necessary and enlarged the operation from approximately 100 tons per day to more than 400 tons per day, the corporation increasing its investment from approximately $150,000 to approximately $1,150,000.

In the meantime, complying with his promise to the Chestatee Corporation, the Ashcraft Wilkinson Co., and to other producers of minerals in other lines to sponsor legislation for their protection against loss, the Secretary of the Interior, the late Franklin K. Lane, sponsored and caused to be introduced in Congress a bill entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of those ores, metals, and minerals which have formerly been largely imported or of which there is or may be an inadequate supply."

The first section of this act named some 40 minerals and metals covered by the provisions of the act which provided, among other things, that the Government might take over or use or otherwise secure the benefit of any land, deposit, mine, or plant, or any part thereof, or that it might take the output from such at reasonable prices and that contracts could be made for the protection of producers to extend for 2 years after the termination of the war.

Section 6 of the act appropriated the sum of $50,000,000 as a revolving fund for the carrying out of the objects of the act.

Section 3 provided, among other things, that the United States should make "just compensation" for the taking over or the use or the occupation or the operation of any such properties named as "necessities", and that if the compensation determined by the President (or the Secretary of the Interior named by him to administer the act) was unsatisfactory to the person, firm, or corporation entitled thereto, that there should be paid to him 75 percent of the amount so determined, and that he should be entitled to "sue the United States to recover such further sum as added to the said 75 percent would make up such amount as would be such just compensation."

Appearing before the Committee on Mines and Mining of the House of Representatives in urging the passage of this bill, Secretary Lane emphasized at great length the necessity for encouraging the production of these urgently needed minerals, particularly emphasizing the necessity for pyrites, manganese, chrome, and tungsten. At this hearing, referring particularly to the necessity for pyrites, Secretary Lane recited the activities of his agents in Georgia and the results which had been obtained in the way of production and cited these operations in pyrites as an example as to what could be done in other lines through the necessity to supply the needs of the Government in the prosecution of the war.

This bill passed the House of Representatives promptly after the hearing, but by reason of press or other necessary war-emergency legislation did not pass the Senate until October 1918, being approved and becoming law October 5, 1918. (40 Stat. 1109).

Promptly after the approval of this act those who had responded patriotically to the Government requests and demands to produce these needed minerals applied to the Secretary of the Interior for contracts for their protection under the provisions of the act. Shortly thereafter, November 11, 1918, the war suddenly terminated, whereupon the Secretary of the Interior upon the advice of the Attorney General of the United States declined to administer the act, declined to contract with producers, declined to take their output (minerals no longer needed since the war was ended) and in lieu thereof promised to sponsor legislation to permit him to take such part of the $50,000,000 appropriation provided by that act to pay "losses" sustained by these producers who had complied with Government requests or demands as the measure of "just compensation" these producers were entitled to under the provisions of the act.

Producers in good faith accepted this assurance from the Secretary that their losses would be paid. Complying with this promise the Secretary of the Interior, Mr. Lane, sponsored legislation which was introduced in the Senate amendatory to the act of October 5, 1918, to authorize him to pay "net losses", which bill, as amended, finally passed as section 5 of the act, approved March 2, 1919, which directed the Secretary "to adjust, liquidate, and pay such net losses as have been suffered by any person, firm, or corporation by reason of producing or preparing to produce either manganese, chrome, pyrites, or tungsten in compliance with the request or demand of the Department of the Interior, the War Industries Board, and other Government agencies named to supply the urgent needs of the Nation in the prosecution of the war, said minerals being enumerated in the act of Congress approved October 5, 1918. This act carefully safeguarded the interest of the Government. No speculative investments were admitted for reimbursement. It was required that claimants must show that their operations were in "good faith" to supply the urgent needs of the Nation in the prosecution of the war.

The act specifically provided that payments of losses sustained by reason of "moneys expended or obligations incurred" should be reimbursed provided such "moneys were expended or such obligations were incurred" during the period of the war. Attention is particularly called to the

wording of this act of Congress which provided that losses sustained by reason of "moneys expended or obligations incurred" shall be reimbursed. A careful reading of this act (sec. 5) will show that there is not the slightest ambiguity as to its meaning and it is hard to understand why the administration of this war minerals statute so clearly expressed has required additional repeated acts of Congress and repeated decisions by the Supreme Court of the United States on questions of law involved to result at this late date in payments of claims thereunder which should have been paid promptly after the passage of that act. It provided that losses should be paid from the $50,000,000 appropriation carried by the previous act of 1918, limiting, however, the total amount to be disbursed to not exceeding $8,500,000.

If the act had been administered as Congress plainly intended it should be, the amount set aside would have been sufficient to discharge in full all obligations of the Government thereunder, but erroneous interpretation by the commission appointed by the Secretary of the Interior and narrow technical decisions resulted in complete denials in many cases, small niggardly allowances in others, and such general dissatisfaction that Congress was again required to act and passed a second amendment, approved November 23, 1921, which act provided that—

any claim which had been filed within the time and in the manner prescribed by the act approved March 2, 1919, if the proof and support of said claim clearly showed them to be based upon action taken in response to request, demand, solicitation, or appeal of the Government shall be reimbursed such net losses as they may have incurred and are in justice and equity entitled to from the appropriation carried in said act.

The report of the Committee on Mines and Mining accompanying this bill stated, among other things, that in the administration of the act of March 2, 1919, the commission appointed by the Secretary had "erred in its interpretation of the legislative intent, its interpretation and application of the provisions of the act * * *" and stated further—

The language of the act is clear and if interpreted as the courts of the country have repeatedly held such statutes should be interpreted, the committee is of the opinion that the provisions of the acts can be fully carried out and a just and equitable settlement can be had of every legitimate claim.

Under this authority many claims were reopened. Some errors in previous settlements were corrected and additional small awards made, but the commission appointed by the Secretary of the Interior adhered to erroneous ruling on questions of law and still denied many items of loss.

By agreement with the Secretary of the Interior the case of the Chestatee Pyrites & Chemical Corporation, being the largest and most conspicuous operation undertaken in compliance with the direct personal request of the Secretary of the Interior, was selected as a test case. A petition was filed in the Supreme Court of the District of Columbia on the subject of interest paid on borrowed capital as a legitimate "obligation incurred" within the meaning of the statute and therefore reimbursable as a loss. This court deciding affirmatively in favor of the Chestatee Corporation, appeal was taken by the Government to the court of appeals. The court of appeals affirmed the lower court and adjudged interest paid and obligated to be paid on borrowed capital to be a loss reimbursable within the meaning of the statute. The Government further appealed the case to the Supreme Court of the United States, which Court ruled that under the wording of the act of March 2, 1919, no court had jurisdiction, that the decision of the Secretary of the Interior was final and conclusive no matter how erroneous it might be.

After the decision of the lower courts in favor of the Chestatee Corporation as the test case and upon being informed by the Secretary of the Interior that the appropriation of eight and a half million dollars would be insufficient, Congress again acted, expressing its acquiescence and approval of the decision of the Supreme Court of the District of Columbia and the Court of Appeals and passed the act approved June 7, 1924, short but emphatic as follows: In order—

To enable the Secretary of the Interior to lawfully pay adjudicated claims arising under the so-called "War Minerals Relief Act" * * * approved March 2, 1919, as amended, the limitation in said act on the aggregate amount to be disbursed thereunder in payment of said claims is hereby repealed.

Thereafter, the Supreme Court of the United States ruling that the courts had no jurisdiction, Congress again, after extended hearings, passed the act approved February 13, 1929, which conferred jurisdiction on the same courts which had affirmatively decided the questions of law in favor of claims which had theretofore arisen or which might thereafter arise in the adjustment, liquidation, and payment of claims under the War Minerals Relief Act.

Under the authority of this act of February 13, 1929, the Chestatee Corporation submitted to the demand of the then Secretary of the Interior that its case be again carried through the courts as a test case. The Secretary required that the question of interest on borrowed capital be carried through as a separate and distinct case and agreed that other questions of law involved should remain in status quo and should stand decided by the Supreme Court decisions in other cases. In order to get any further consideration by the Secretary of the losses involved in these questions of law the Chestatee Corporation was forced to comply with these arbitrary unjust requirements.

Accordingly the case was again tried in the Supreme Court of the District of Columbia and carried on appeal to the Court of Appeals, which courts reaffirmed their previous decisions. Being carried by the Government on a writ of certiorari to the Supreme Court of the United States that Court, affirming the lower courts, said:

It (interest) constituted part of relator's expenditures and cost of the undertaking and so is within the terms of the section (5) as amended. (Parentheses supplied.) * * * It must be shown clearly that such interest was paid or the obligation incurred by relator at the instance of one of the specified Government agencies.

Attention is particularly called to the fact that not only have all of the acts of Congress which have been passed looking to the adjustment and equitable payment of these claims emphasized that losses due to obligations incurred are reimbursable, but the Supreme Court of the United States has also so ruled, using the exact wording contained in the statute.

After this decision of the Supreme Court affirming interest on borrowed capital to be reimbursable within the meaning of the act, the Department of the Interior apparently acquiesced in this decision and required claimant to state in answer to a questionnaire the amount of interest which had been paid in cash and also the amount of interest which had accrued to the date of the questionnaire which had not been paid (on or about Dec. 31, 1931). Subsequently, to wit, on March 14, 1932, for reasons which have never been made apparent, the Department ruled that interest which had been paid or accrued only to the date of the passage of the Relief Act (Mar. 2, 1919) was reimbursable as a loss. Whereupon the Chestatee Corporation was again required to go through the courts on a petition to enforce the previous decree. The Supreme Court of the District of Columbia and the Court of Appeals again affirmed the legal contention of the Chestatee Corporation.

In the course of its opinion the court of appeals said:

The amount of the principal sum being established as of that date, the interest payable thereon can be ascertained at the same time and readily computed at the time of final payment. * * *

The principal sum was borrowed and lost and had not been paid on March 2, 1919, and was not then due. Relator, however, was under obligation to pay this principal sum which is conceded to be a loss within the act and he was likewise under obligation to pay the interest incurred in the creation of this obligation. In other words, relator was as much obligated on that date to pay the interest as it was to pay the principal. The aggregate of the two items at the time of payment by the Government consti-

tutes the net loss. If relator could not make claim for net loss of interest conceded as not payable at that time, then by analogous reasoning relator could not be compensated for the principal debt, which was not due and payable at that time. The justice and equity in the one case is equal and parallel to that in the other. The Court of Appeals said further:

An examination of the statutes fails, in our opinion, to disclose any intention on the part of Congress to limit the recovery of interest paid or incurred on obligations allowable under the provisions of the 1919 act.

This case being carried by the Government to the Supreme Court of the United States, that Court, in its opinion by Mr. Justice Brandeis, handed down May 29, 1933, construing and interpreting the act of March 2, 1919, and amendments thereto, said, among other things:

The method of determining the net losses during a particular period or a particular adventure is well settled.

It must be perfectly plain that these war minerals operations were particularly hazardous "adventures", started in compliance with demand of the Government to supply its urgent needs and terminated when these needs were over and there was no more market for the output of these adventures.

Accepted accounting methods for the determination of profits or losses of a particular adventure must include consideration of all elements in connection with the said adventure; that is to say, all assets and all liabilities, including those liabilities or obligations which may not have matured until after all operations ceased. The loss sustained or suffered in such adventure cannot be limited only to payments and accruals up to the time of the termination of the adventure but must include all "obligations incurred", including loans and interest thereon, in connection with or as a result of the adventure, to the date of payment. On the other hand, the Supreme Court in this opinion affirming the decision of the Secretary in his interpretation of the act, as to cut-off date for interest March 2, 1919, said that the language of the act of March 2, 1919, wherein the use of the words "losses suffered by reason of 'obligations incurred'", meant losses suffered by reason of "obligations accrued" only to the date of the passage of the act.

No word has ever been uttered either by Congress or the Secretary of the Interior or the Department of Justice or any of the courts against the "justice and equity" of including interest paid on borrowed capital as a loss within the meaning of the statutes, but the interpretation of the Supreme Court of these statutes as to a cut-off date necessitates a further act of Congress to more clearly state its intention when it passed the act of March 2, 1919, and the several amendments.

Let me impress this one fact upon you that the act of 1918 provided to pay claimants "just compensation", and the Supreme Court of the United States, in the opinion of Mr. Justice McReynolds, has stated the act of 1918 to be the governing statute.

The amendment of 1919 provided that "net losses" should be paid, being in effect an interpretation of the Congress as the measure of "just compensation" provided by the previous act.

Until, therefore, all "net losses", including those suffered by reason of "obligations incurred" have been paid, neither the "just compensation" provided for in the act of 1918, nor the "net losses" provided for by the amendment of 1919, have been paid or discharged by the Government.

There is no cut-off date for "net losses." Congress itself in the amendment of 1919 fixed its own cut-off date as the date of the armistice, wherein it said that only expenditures made and obligations incurred theretofore might be included in the adjustment of losses, but this did not intend to limit any reasonable date of any obligation incurred in this all-embracing phrase.

To do equity and justice to these claimants who responded patriotically to the call of the Government in that time of great emergency, it is necessary for this bill to be enacted.

The pending bill simply provides the present Secretary of the Interior with authority to correct the gross injustices which have been done to these citizens who patriotically and whole-heartedly spent their time and their money and their properties in faithful performance of their duties to their Government in time of emergency.

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

Mr. VINSON of Georgia. Yes.

Mr. WOODRUM. The gentleman used the phrase, inadvertently, I think, that interest was paid on these claims up to a certain date. The gentleman means, I am sure, that these claimants were reimbursed for interest they had paid.

Mr. VINSON of Georgia. As a loss.

Mr. WOODRUM. In other words, these claimants have never asserted any claim that they should be paid interest on that claim.

Mr. VINSON of Georgia. The gentleman is correct.

Mr. WOODRUM. But they have claimed, and the Supreme Court has ruled, that interest they have actually had to pay for capital they borrowed to put into the business of getting out these minerals for the Government while a part of the principal claimed, and the Supreme Court so ruled.

Mr. VINSON of Georgia. That is right. The gentleman has clearly stated the question in reference to the obligations incurred for interest.

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

Mr. VINSON of Georgia. Yes.

Mr. CULKIN. I am advised that in the original equities between these parties these mining interests went into this business at the request of the Department.

Mr. VINSON of Georgia. The gentleman is correct.

Mr. CULKIN. And from the outset it appeared that it would be a nonprofitable venture. Can the gentleman throw some light on that phase of it?

Mr. VINSON of Georgia. In a great many cases the Secretary of the Interior was notified by the property owners that they would not go into this enterprise because it was purely an adventure, that it was not justified by economic conditions; but the Secretary of the Interior, or the War Minerals Board, or some of the other Federal activities aiding in the prosecution of the war, insisted in a great many cases by personal contact or by writing letters to these people who own the mines.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. WHITTINGTON. I understand settlements have been made in many of these claims and final receipts, covering all amounts due, have been executed. Are additional amounts to be paid to those parties?

Mr. VINSON of Georgia. The question of the obligation for interest having been incurred on borrowed capital is only involved in 335 cases.

Mr. WHITTINGTON. Will the cases be reopened where final settlements have been made?

Mr. VINSON of Georgia. No; not all, because the language of the bill is so drafted that they are not included.

Mr. MOTT. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. MOTT. I understand the Secretary of the Interior opposes this bill?

Mr. VINSON of Georgia. I am pleased that the gentleman has called my attention to the fact. As a matter of fact, the Secretary's letter is against favorable consideration of the bill, but here is what the representative of the War Minerals Relief Commission says:

The real objection to this bill is simply the appropriation of money at this session of Congress.

The objection was not based on the merits of the question involved, but merely to keep the Budget within its bounds they are opposed to any appropriation at this session. No appropriation can be made until the Appropriations Committee recommends it.

Mr. MOTT. I understand the gentleman is asking Congress to pass this bill notwithstanding the fact that the Secretary of the Interior disapproves it?

Mr. VINSON of Georgia. Yes.

Mr. MOTT. I am very glad to see that precedent established on the Democratic side of the House.

Mr. VINSON of Georgia. I thank the gentleman.

Mr. COX. For the purpose of shedding further light upon the question propounded by the gentleman, may I call the gentleman's attention to the fact that the War Minerals Commissioner, testifying before the House Committee, said that he himself prepared the letter that was written by the Secretary of the Interior, and his views were the views of the Secretary.

The SPEAKER. The time of the gentleman from Georgia [Mr. VINSON] has expired.

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

Mr. LEHLBACH. Mr. Speaker, these mineral war claims are one of a diverse series of war claims that have been adjudicated, that are substantially based on the same premises as these mineral claims. For instance, money was lost by people who were induced to import sugar from the Argentine. We have settled a number of such claims. In other industries in other lines there have been similar claims settled along the same general lines as these mineral claims have been settled. When you say that paying interest on money borrowed to carry on the activities which they say they were induced to enter into by the Government is just and right in mineral claims, you will have to appropriate hundreds of millions of dollars to pay interest on money borrowed in various other directions, the claims of which have heretofore been recognized by Congress.

Mr. BEAM. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. BEAM. Is it not true that by the passage of this act you impliedly wipe out the statute of limitations pertaining to practically every claim which has been outlawed by statute?

Mr. LEHLBACH. Certainly. That is a consideration.

Now, these claims are not legal obligations of the Government. The courts have passed on that. In one of these claims, in the case of Ickes against Cuyuna Mining & Investment Co., the court held that awards under the War Minerals Relief Act are purely in the nature of a gratuity by the Government and are not legal claims; nor does this act create in the claimants any vested legal right. So they come here and ask for added gratuities, 15 years after the war is over, and are opening the door, whether unwittingly or intentionally, for hundreds of millions of similar claims in all lines of activity that were carried on at the inducement of the Government during the time of war. The Supreme Court has said in the Chestatee case—and in that case the company has over $600,000 in interest coming if this bill passes—the Supreme Court held that March 2, 1919, was the date to which interest was allowable for money borrowed and lost in producing and preparing these products. That is the decision of the Supreme Court. That was the intention of Congress and that is what was accepted. The awards that have been accepted have been accepted in full settlement of the claim in each instance except one. There is no equity, there is no merit in these cases. It has even been suggested that where an award has been made and paid and the money was not due to the creditor for several years that, notwithstanding the money was in possession of the debtor, these mineral companies were entitled to recover for the interest on the money which they had in their possession.

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

Mr. LEHLBACH. I yield.

Mr. CULKIN. Does the gentleman understand that this was obviously a nonprofit venture from the beginning; that these people were gotten into it at the request of the Government which was prosecuting the war?

Mr. LEHLBACH. Oh, no; they were taking a chance as everybody did who was making profit out of the war.

Mr. CULKIN. But it was concededly nonprofitable, I may say to the gentleman, concededly nonprofitable.

Mr. LEHLBACH. Mr. Speaker, this bill is limited to $1,250,000. The bill also provides as follows:

It is also provided that all settlements under this act and pursuant to its provisions shall constitute full and complete discharge of all obligations of the United States.

Not one of the series of war mineral acts but what carried this language.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut [Mr. Goss].

Mr. GOSS. Mr. Speaker, I regret that it is necessary for me to take the floor in opposition to this bill, this morning, but I want to bring out a few facts in reference to some of the things that have been disclosed to the special committee of the Committee on Military Affairs, disclosures that we believe involve this particular matter.

Already $8,500,000 has been appropriated to settle these claims. The present deficiency bill, now in conference, carries $800,000 more for this purpose, and the Secretary of the Interior states that it will take at least another $800,000 to clear up these claims.

Now, why have I taken the floor against this bill? Our investigating committee (subcommittee no. 3, House Military Affairs Committee) found that at least one claimant interested in this subject of war claims has paid an officer of the Government approximately $200 per month, besides a rather large lump-sum payment, to pass upon or lobby for these bills through the House of Representatives; and may I add that my colleagues on the Military Affairs Committee are going to follow me and ask the House this morning to hold up the passage of this bill until we have completed our investigation, because we have documentary evidence, the duplicate deposit slips, deposited by this man. At the present time we have found slips only on one bank, but we may find slips on other banks; and we do not feel that the House this morning should pass this legislation until we have proceeded further with our investigation, as this very matter is involved.

The effect of this bill is stated in a letter from Mr. Ickes, the Secretary of the Interior, dated March 23, 1934, in House Report No. 1740, in which he states that, if this bill is enacted into law, it will extend from March 2, 1919, to the date of the approval of this act the time for the payment of interest.

THE SECRETARY OF THE INTERIOR,
Washington, March 23, 1934.

Hon. JOE L. SMITH,
Chairman Committee on Mines and Mining,
House of Representatives.

MY DEAR MR. SMITH: Your letter of February 17 requesting a report on H.R. 7984, Seventy-third Congress, which bill is now before your committee for consideration, has been received.

The United States Supreme Court in the *Vindicator-Chestatee case* (284 U.S. 231), rendered December 7, 1931, held that March 2, 1919, was the date to which interest was allowable for money borrowed and lost in producing and preparing to produce chrome, manganese, pyrites, and tungsten under the War Minerals Relief Act.

The effect of this bill, if enacted into law, will be to extend the date from March 2, 1919, to the date of the approval of this act, for the payment of interest.

The records of the Department disclose that 126 cases already given awards and 44 cases certified by the Supreme Court of the District of Columbia to the Secretary of the Interior for review, and 161 cases awaiting action of the Supreme Court of the District of Columbia, making a total of 351 cases, would be subject to review by the Secretary of the Interior upon petition by the claimant under authority of this bill.

There is no way of reasonably approximating the total amount of interest losses involved by the enactment of this bill into law, for the reason that the only evidence before me at this time is that in the cases upon which awards have been made.

In many of the awards made by my predecessor since the amendment of February 13, 1929, the claimants have accepted such awards in "complete and final settlement of their rights under the War Minerals Relief Act." One exception to this is the case of the Chestatee Pyrites & Chemical Corporation, in which awards to the amount of $829,850 have been made, of the last of which, on February 23, 1933, acceptance was made by claimant "as payment of its losses in full to March 2, 1919, as stated in the award." From our records in the case the approximate interest which would be claimed under the proposed act, if passed as to April 1, 1934, would be $608,221.24.

In all awards which I have made under the War Minerals Relief Act, with one exception the claimant has signed a release in complete and final settlement of all rights under the act.

The exception is the case of the Hanna Minerals Co., to which awards have been rendered in the amount of $314,924.31. The approximate interest which would be claimed under the proposed act, if passed as of April 1, 1934, would be $324,367.68.

A decision by the Court of Appeals of the District of Columbia February 19, 1934, in the case of *Harold L. Ickes, Secretary of the Interior, v. Cuyuna Mining & Investment Co.* holds that awards under the War Minerals Relief Act are purely in the nature of a gratuity by the Government and are not legal claims, nor does the act create in the claimants any vested legal right.

I am not at this time able to give your committee the effect which this decision will have on the 161 cases pending in the Supreme Court of the District of Columbia.

It may be a timely observation to say that all these claims are based upon World War operations during the period between April 6, 1917, and November 12, 1918, and that good administration would require that complete and final settlement should be made in all claims at the earliest opportunity consistent with justice and equity.

I therefore find myself disposed to object to the passage of this bill.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

He further states that the records of his department disclose 161 cases pending. I call attention to the fact, Mr. Speaker, that several hundred cases may be involved if this bill passes; and I do not believe the House of Representatives wants to pass upon this legislation, when the full amount was supposed to have been paid and when one or more vicious lobbies exist.

Mr. BEAM. And there was a receipt for full payment, was there not?

Mr. GOSS. Yes. We have the man's duplicate deposit slip showing money paid him from one or more claimants. We cannot disclose all the data at this time, but I am informing the House what has happened; and I am sure the Chairman of the Committee on Military Affairs, sitting before me, will corroborate my statement.

Mr. Speaker, permit me to ask the gentleman from South Carolina [Mr. MCSWAIN] if I am correct.

Mr. MCSWAIN. Mr. Speaker, I expect to make a statement.

Mr. GOSS. The gentleman from South Carolina is going to take the floor himself.

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

Mr. GOSS. I yield.

Mr. WHITTINGTON. What is the nature of the report of the Secretary of the Interior with respect to this bill; is he for or against it?

Mr. GOSS. He is against it as per the following partial statement:

I cannot at this time give your committee the effect which this will have on the 161 cases pending.

And I want to say that I am sure that Mr. Ickes did not even know that the facts I am disclosing here existed. As a matter of fact, the members of the Military Affairs Committee did not know it 2 weeks ago.

Mr. Speaker, I am sure other members of the Committee on Military Affairs investigating this important subject will follow me and tell the House more about it. [Applause.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. JAMES].

Mr. JAMES. Mr. Speaker, I was a member of the House Committee on Mines and Mining during the war and at the time the bill referred to by the gentleman from Georgia [Mr. VINSON] was considered. I voted against H.R. 13274 at that time. Others who voted against it at that time were Martin B. Madden, John N. Garner, Nicholas Longworth, James R. Mann, Carl E. Mapes, C. C. Dowell, James R. Frear, Clyde M. Kelly, Ernest Lundeen, George W. Edmonds, and F. H. LaGuardia.

I was present when Mr. Lane, Secretary of the Interior, came before the committee and stated what he wanted to do. We had no idea at that time, however, it was going to result in legislation like this. It was not the intent of Mr. Lane; it was not the intent of Congress. Thereafter I became a member of the Committee on Military Affairs, of which committee I have been a member since that time.

SUBCOMMITTEE NO. 3, HOUSE MILITARY AFFAIRS COMMITTEE

In our investigations we found in one bank duplicate deposit slips that showed considerable money deposited to the credit of one man who ought to be looking after the interests of the Government; yet that man has received check after check from certain concerns. We do not know how far it is going to reach, for we have examined only one bank. One of our investigators, from the office of the Comptroller General, is in New York now to see what else can be found; and I beg of you, gentlemen, until such time as we have had an opportunity to find out how many concerns are involved in this matter, that you do not pass either the resolution or the bill.

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

Mr. JAMES. I yield.

Mr. YOUNG. Does it not appear to the gentleman to be unwarranted and, in fact, rather raw to bring in during the closing hours of this session a bill calling for the expenditure of $1,250,000, in view of the fact that the Secretary of the Interior has stated that these are not legal claims but are purely in the nature of gratuities? I, therefore, find myself disposed to object to the passage of this bill.

Mr. JAMES. I agree with the gentleman. If Mr. Ickes had the information that our subcommittee (subcommittee no. 3, House Military Affairs Committee) had, his report would be 100 times stronger than it is.

Mr. WEIDEMAN. There is no hurry to put this across. If they will let the gentleman go ahead with his investigation, he will discover some good reason why this bill should not be passed.

Mr. JAMES. The passage of this bill is not to the interest of the Government.

Mr. WEIDEMAN. It will cost the people $1,200,000?

Mr. JAMES. At least this amount and also it is a precedent for other claims.

Mr. WEIDEMAN. We should vote this resolution down?

Mr. JAMES. Absolutely.

Mr. BEAM. Will the gentleman yield?

Mr. JAMES. I yield to the gentleman from Illinois.

Mr. BEAM. If we pass this bill, it does establish a precedent whereby other claimants who have signed a complete release in the case of war materials could come in here and by the same method or process demand full payment?

Mr. JAMES. If we pass this bill, we are practically inviting them to come in and do the same thing.

Mr. BEAM. It will nullify previous action in this respect?

Mr. EDMONDS. Will the gentleman yield?

Mr. JAMES. I yield to the gentleman from Pennsylvania.

Mr. EDMONDS. If this bill should pass, the company in which I am interested will benefit by the bill. I propose to vote against it, because I think the Government has dealt fairly with these people and they are not entitled to another cent.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr MCSWAIN].

Mr. MCSWAIN. Mr. Speaker, it is no pleasure to oppose claims that come, no doubt with great sincerity on the part of Members of Congress, in the name of what is described as justice and righteousness. But I submit to you that, in my opinion, justice and righteousness will better be done on the part of the Government and taxpayers if this matter is delayed for at least 6 months during the investigation that will be completed by subcommittee no. 3 of the Committee on Military Affairs.

This very morning the House unanimously appropriated an additional $20,000 in the belief that that subcommittee is on the trail of something that needs to be uncovered.

Mr. JAMES. Will the gentleman yield?

Mr. MCSWAIN. I yield to the gentleman from Michigan.

Mr. JAMES. If it was not for this one thing and conditions just like that, we would not have asked to have the appropriation increased from $10,000 to $30,000.

Mr. MCSWAIN. I have been a member of the Committee on Military Affairs only 12 years it is true, but continuously during this time various representatives of these claimants have come to me as an individual and as chairman of the

committee, and particularly during the last 3 years, insisting that these old claims should be reopened, and, as the gentleman from Georgia stated, we have reopened them by legislative act five times, and finally in 1929 the claim was made that justice had to be done. It was then claimed that human justice demanded what? Not that the claims be settled by Congress but that the claimants be authorized to go into court. We passed an act authorizing them to go into court. Having gotten into court, from which appeal was taken to the Supreme Court of the United States, they now come back here to Congress on a plea of justice.

It is represented that no money is to be asked at this session of Congress, that it is only intended between now and January that the Secretary of the Interior shall be investigating these claims preparatory to making his recommendation. If that be so, I submit the best thing to do is to stop the whole proceeding here and now and let this committee of seven men from the Military Affairs Committee continue their investigation. I am a member of that subcommittee, and I am not going to be on the subcommittee. May I say that for more than 90 days they have been sitting all of every day and often into the night, and for the last three nights some of them have spent the greater part of the night preparing their report which is now in the hands of the printer. When you read that report your eyes will be opened. You will be amazed at the conditions prevailing in one of the departments of your Government for years. Just wait till you get their final report.

Mr. Speaker, I yield back the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. HILL.]

Mr. COX. Will the gentleman yield?

Mr. HILL of Alabama. Briefly. This is not to be taken out of my time, however.

Mr. COX. Possibly we can take care of the entire situation if the gentleman will yield to me in order to use a little of my time.

Mr. HILL of Alabama. I yield to the gentleman.

Mr. COX. Mr. Speaker, so far as I am concerned, I know absolutely nothing of any bad practices on the part of any claimant who would in anywise be affected by this bill. I am confident that most of them came here with clean hands. But in view of the statement made by the gentleman from South Carolina, the Chairman of the Committee on Military Affairs, I am persuaded that the interests of the country, the claimants and the citizens affected by the bill would probably be better served if the measure was not pressed to an issue at this time.

In view of the disclosure made by the gentleman from South Carolina and other members of his committee, I am unwilling to proceed with this resolution until matters referred to shall have been cleared up by the investigation that we are told is being made, and therefore, Mr. Speaker, I ask unanimous consent that the resolution be withdrawn from further consideration.

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

Mr. CULKIN. Mr. Speaker, reserving the right to object, may I say that I was disposed to vote in favor of this bill, but I think the gentleman's course is timely and proper. That is my reaction.

Mr. RAMSPECK. Mr. Speaker, reserving the right to object, may I say to the House with reference to these claims, and especially to the gentlemen on the Military Affairs Committee, that this morning is the first time insofar as I am concerned, this proposition of an investigation by the Military Affairs Committee has come to my notice. If there is anything in the world wrong with the claimants who come from my district, I would be the first one to tell them to get out of Washington and not to come back here any more. I am perfectly satisfied from the evidence they have produced before me that they have not engaged in any lobby and that they have not employed anyone, and, as a matter of fact, no one has approached me about the matter except the claimants themselves.

Therefore I ask the Chairman of the Military Affairs Committee if he will not do us the courtesy to include specifically in his investigation the activities of the Virginia Ores Corporation and the Chestatee Pyrites & Chemical Co., who are the two people who have been to see me about this matter. As a matter of fact, the Chestatee claim would take one-half of all the money involved in this bill and it comes under section 5 of the act of March 1919, and not under the sections that the Secretary of War dealt with. I am pleased to see the resolution withdrawn for a complete investigation and I understand this will be satisfactory to my constituents.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. VINSON of Georgia. As the author of the bill which the resolution seeks to make in order, in view of the disclosures made by the gentleman from South Carolina [Mr. MCSWAIN] and the gentleman from Michigan [Mr. JAMES], I want to concur in the request my colleague has made with respect to this measure. I know but one claimant, the Chestatee Pyrites Co., of Atlanta, Ga. This concern is not in my district and the only reason they requested that I introduce the bill is because some 15 years ago I introduced a bill dealing with this matter.

I am pleased that the Military Affairs Committee is making this investigation, and I ask, as my colleague from Georgia has already done, that this resolution be withdrawn pending further investigation.

Mr. GOSS. Will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. GOSS. I may say that no one has made any accusation, so far, against any one particular company, but we want to go on with our investigation.

Mr. VINSON of Georgia. Let me say to the gentleman from Connecticut that I hope the gentlemen will go on with the investigation and will investigate the conduct of some of the men who have been administering this law and I am sure they will then see the manner in which these claimants have been treated.

Mr. McSWAIN. Mr. Speaker, will the gentleman from Georgia yield to me?

Mr. COX. I yield.

Mr. McSWAIN. Mr. Speaker, responding to the suggestion and request of the gentleman from Georgia [Mr. RAMSPECK], I feel I am authorized to speak for the gentleman from New Hampshire [Mr. ROGERS] who is chairman of the subcommittee conducting the investigation. The gentleman is not upon the floor, because he is at work completing the report to which I referred when I had the floor. He sent me word to express to the House his opposition to this measure, but I feel I can assure the gentleman from Georgia [Mr. Cox] and the author of the bill [Mr. VINSON] and all others interested in these claims, that not only will the claims of the Chestatee Pyrites & Chemical Co. and the Virginia Ores Corporation, be investigated, but every one of the claims will be thoroughly investigated, fairly and impartially, by subcommittee no. 3 that has worked so hard for the past 3 months.

Mr. LEHLBACH. Mr. Speaker, reserving the right to object, of course, I do not intend to impugn the motive of anyone, but the gentleman knows that under the rules of the House, this rule could be called up, subsequently, as a matter of privilege, and would it not be simpler to vote down the resolution?

Mr. COX. I hope the gentleman will not insist upon that. I think I can assure the gentleman that no such thing as calling up the resolution will be undertaken.

Mr. Speaker, I renew my unanimous-consent request.

The SPEAKER. The gentleman from Georgia asks unanimous consent to withdraw the resolution. Is there objection?

Mr. TRUAX. Mr. Speaker, reserving the right to object, I want to say, without accusing anyone about this bill, I think the gentlemen who have sponsored it have all acted

in good faith, but it is bills of this kind that the committee of objectors, as they are commonly known, has stopped at all times on the private calendar and the consent calendar and thereby saved the taxpayers $18,822,000.

I withdraw my reservation of objection.

Mr. BLACK. The gentleman has no right to say that the committee that he has referred to has stopped anything like that.

Mr. TRUAX. The gentleman does make the statement again.

Mr. BLACK. This bill has not come up on the private calendar.

Mr. TRUAX. I said similar bills.

Mr. BLACK. No; similar bills have not come up.

Mr. TRUAX. Oh, yes; they have.

Mr. KENNEY. Mr. Speaker, reserving the right to object, I should like to take this opportunity to compliment the Chairman of the Military Affairs Committee on his efforts to establish the Junior Air Corps in this country. His work can only be compared with the great country-wide movement of the Junior Birdmen of America, sponsored by William Randolph Hearst, Jr. Soon the Committee on Military Affairs will, I trust, further promote the cause by advocating the teaching of aviation in all our public schools.

I withdraw my reservation of objection, Mr. Speaker.

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

There was no objection.

UNIFORM SYSTEM OF BANKRUPTCY

Mr. OLIVER of New York. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3580) 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, as amended, by striking out all after the enacting clause of the Senate bill and substituting therefor the provisions of the House bill (H.R. 9865).

The Clerk read the Senate bill as amended, as follows:

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 appraisals 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 possession, under the control of the court, of any part or parcel or all of the remainder of the debtor's poperty, 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 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 interest 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 retains 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 interests 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, 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.

"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."

Mr. HANCOCK of New York. Mr. Speaker, I demand a second.

Mr. OLIVER of New York. I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. OLIVER of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES. Mr. Speaker, this is an important bill, rather a drastic bill, but one that seems to me thoroughly justified in these times. We have passed a bankruptcy measure permitting corporations to take advantage of the bankrupt act. We have passed a measure authorizing municipalities to take advantage of that act. This amendment simply makes workable the bankruptcy provisions in the interest of the most important industry in America.

There is only one compulsory feature in the bill. It provides that the man must be a bankrupt, or at least, incapable of paying his debts—practically the same definition inserted in other bills—and there are certain features in the bill that provide for agreement on terms of repurchase—but these are purely voluntary, and must have the lienholder's consent before they take effect.

The real compulsory feature of the bill is to the effect that if the lien holder and the owner of the land cannot agree on the program as set out in the bill, or some other program, then the owner of the land has the right to appeal to the bankruptcy court, and under the control of that court foreclosure is forbidden for a period of 5 years, on condition that a reasonable rental be paid during that period, and the mortgagor complies with the requirements of the court to keep the land in condition. If he fails to meet these requirements a sale may be ordered at any time.

Now, there are two classes that need to be handled in this kind of a way. Of course, most people do not foreclose in a period such as this; there are a few hard-boiled people who want to take advantage of these conditions. I have no sympathy with any man who comes within that classification. I have no sympathy with any man who wants to take advantage of these times to take away from a man his own home. [Applause.]

This old Republic is anchored in the farm homes of America, and we can afford to say that they shall not be foreclosed for a definite stated period.

If you will read the last provision carefully you will find that it is all within the option of the court, and that the lien holder is protected.

It is a well thought out bill. It was considered by the Judiciary Committee, and someone who knows his business drafted the bill.

The other part of the bill applies to mortgage companies, insurance companies, and others who have a trustee relationship but who do not feel that in handling other people's money they can afford to consent to a general moratorium. This will put it in the hands of the court, and then these companies will have authority for such action.

As of March 1, 1933, about 29 percent of the volume of outstanding mortgages was held by individuals, about 23 percent by insurance companies, about 19 percent by the Federal and joint-stock land banks, 11 percent by commercial banks, 10 percent by mortgage companies, and the remainder by other agencies. Since that time the volume held by the joint-stock banks has decreased and that held by the Federal land banks has materially increased.

This bill is not intended to deprive anyone of his rights. It provides for the protection of the lien holder as well as the mortgagor. It will be in the hands of a just court, which will see that it is legally administered. I believe they will all be better off with this kind of an act, because when there is foreclosure in any community on a farm, and a forced sale, it reduces the value of property all around.

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

Mr. HANCOCK of New York. Mr. Speaker, I yield myself 5 minutes.

Of course, the purpose of this act appeals to every man here. An effort is being made to help the farmer protect himself from the loss of his farm through foreclosure proceedings. Such a purpose as that appeals to every one of us, and we are all in sympathy with it. I suspect that the bill will be passed because of the label it bears, though not 20 people in the House have read it, and not 6 have made any effort to analyze it. If the bill passes, there are a lot of headaches in it for lawyers and judges and referees in bankruptcy who will be called upon to interpret it, because the bill is loosely drawn. I have made an effort to analyze the bill, but I do not claim that I have had very much success. We have gone a long way in this country, and in modern times, from the days when a man could be thrown into jail for debt. If the evolution in the relationship between debtor and creditor continues, the time is not far distant when the creditor will be thrown into jail, and a man will be hung by the neck until dead who asks for the payment of his honest debt. About a year ago we passed an act called "a bill for the relief of debtors." Under that act the farmer may negotiate with his creditors in bankruptcy court, and with the aid of the court and of conciliators appointed for that purpose, compromise his debts and extend the time of their payment. This year we passed a bill under which the farmer may get together with the holder of the mortgage on his farm, exchange the mortgage for a Government bond, and obtain for himself a reduction of principal, an extension of time, and a reduction of interest. It seems to me that that is about as far as we have any right to go.

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

Mr. HANCOCK of New York. Yes.

Mr. McCORMACK. What consideration has been given to the home owner in the cities?

Mr. HANCOCK of New York. None as yet under this scheme, but that will undoubtedly come later. Under this bill the farmer is dealt with. This bill will call for other legislation and will produce problems we do not foresee. We have not yet gotten around to the home owners in the cities. That will be the next step. Under the bill before us, the farmer may go into the bankruptcy court, ask for an appraisal of his property, reduce the liens on his property to present appraised value, obtain a stay of proceedings for 5 years, retain possession of all his property, reduce the interest to be paid to 1 percent per annum, and get easy terms of payment for the principal of the mortgage. That is the gist of the first part of the original Lemke bill, as well as the McKeown bill, which is about to be substituted. Both bills contain two alternatives, one of which I have briefly outlined without going into details. The second alternative, if the first plan is objected to, permits a referee to fix what he regards as a fair rent on the appraised price of the farm, and hold up proceedings for 5 years. During those 5 years the farmer, if he is able, may pay the principal of the reduced amount of the mortgage. In case neither of those alternatives is agreed to or the farmer becomes in default, then the bankruptcy proceeding takes its usual course, the property is sold in bankruptcy, and all the creditor can hope to get under any circumstances is the amount of the appraisal of the property on which he holds a lien.

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

Mr. HANCOCK of New York. Yes.

Mr. RICH. If the farmer is permitted to remain on the farm for 5 years and takes everything off the farm and does not give the farm the ordinary care which it is naturally supposed to get, what will the farm be appraised at in 5 years?

Mr. HANCOCK of New York. That is a danger against which the referee can safeguard the creditors because he is given authority to fix the terms of the lease under which the farmer continues to occupy his property.

Mrs. GREENWAY. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. Yes.

Mrs. GREENWAY. Answering that question, on page 6, line 17——

Mr. HANCOCK of New York. Which bill?

Mrs. GREENWAY. Of the Senate bill, it says:

Possession of all or any part of this property under the control of the court.

I think that takes care of it.

Mr. HANCOCK of New York. It might; but the language ought to be a little plainer and more definite.

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

Mr. HANCOCK of New York. Mr. Speaker, I yield myself 1 minute more.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. Yes.

Mr. REED of New York. Glancing over this report I fail to see any provision for the payment of taxes.

Mr. HANCOCK of New York. None except what the gentlewoman from Arizona has pointed out, that this property is at all times under the control of the court.

Mr. REED of New York. What about insurance?

Mr. HANCOCK of New York. That is not mentioned specifically. Neither is there any specific mention of any of the clauses which ordinarily are parts of the mortgage itself. The covenants in the mortgage are not specifically mentioned here. You must rely on the good judgment of the judge or referee who has control of the bankruptcy case.

Mr. REED of New York. Where is the court to get the money to keep up the taxes and the insurance?

Mr. HANCOCK of New York. That is one of the difficult problems we put up to the court.

Mr. REED of New York. I should say it is a very difficult one under present conditions.

Mr. HANCOCK of New York. I think it is an impossible problem, but the only hope we have is that the referee will make proper safeguarding provisions in whatever arrangements he makes.

Mr. REED of New York. Then is the court going to protect them against the stripping of the land of timber and things like that?

Mr. HANCOCK of New York. Well, we hope so. I doubt if any of the things which the gentleman speaks of can be properly taken care of, but, as I say, it is up to the courts.

Mr. ELTSE of California. Will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. ELTSE of California. Is it not true that there are homestead exemptions which exempt farmers as well as urban owners?

Mr. HANCOCK of New York. Yes. The exemptions must be set aside under the terms of the bill.

Mr. REED of New York. Will the gentleman yield further?

Mr. HANCOCK of New York. I yield.

Mr. REED of New York. I know of cases where creditors have simply gone the limit in trying to protect farmers who have mortgaged properties, and they have made real personal sacrifices.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. HANCOCK] has expired.

Mr. HANCOCK of New York. Mr. Speaker, I yield myself 2 additional minutes.

I should like to call attention to a fact that I think has been entirely overlooked. This bill does not apply to mortgages on real estate only but it applies to liens on all kinds of property and pledges as well. For example, a farmer may buy an automobile on a conditional contract, or a radio, or he may have a chattel mortgage on his cows and pigs and on his furniture. He may have pledged stocks and bonds at the village bank to secure a loan, and he may have a mortgage on his real estate. If he goes into bankruptcy, every one of those liens is reduced to the reappraised value of the articles they cover, to the then value of the property covered by the lien, and it can never be restored to the original amount, no matter how much values increase. If the bankruptcy takes its usual course, the property is finally sold, and even though it is sold for more than the amount of appraisal, the man who owns the security cannot get the benefit of that increased price. He must take the appraised value. The property might be sold for considerably more than the amount of the reduced lien, but the surplus would go into the bankrupt estate for the benefit of all the creditors, unsecured as well as secured. That is one method of taking property from one man and giving it to another without process of law. Certainly no one will contend that it is a constitutional proposition.

It might be well to bear in mind just who is affected. The biggest owner of mortgages on the farms of this country is Uncle Sam himself. We have been exchanging farm mortgages for United States bonds at the rate of about $100,000,000 a month, and it is going to continue as long as there is any money left for the purpose.

The gentleman from New Jersey [Mr. PERKINS] has furnished me with a table, showing who holds farm mortgages. Although it is not up to date, I ask unanimous consent to include this statement at this point as a part of my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The statement is as follows:

The most illuminating information that I have been able to find is in the book The Internal Debts of the United States, by Evans Clark. With respect to the holdings of farm mortgages as of January 1, 1928, there appears a table on page 40 of this volume showing that the total farm mortgage indebtedness in the country of about $9,500,000,000 was distributed as follows:

	Amount	As percentage of total
Life-insurance companies	$2,164,000,000	22.9
Federal land banks	1,146,000,000	12.1
Commercial banks	1,020,000,000	10.8
Mortgage companies	988,000,000	10.4
Joint-stock land banks	667,000,000	7.0
Retired farmers	1,006,000,000	10.6
Active farmers	339,000,000	3.6
Other individuals	1,453,000,000	15.4
Other agencies	685,000,000	7.2
Total	9,468,000,000	100.0

Some changes undoubtedly have occurred in the distribution since 1928 but it has probably not disturbed the comparative percentages very much. It is pointed out in this book, for example, that at the end of 1932, insurance companies held but 21.4 percent of the total outstanding farm mortgages. In other words, from 1928 to 1932 there was a reduction from 22.9 to 21.4. The percentages of these mortgages held by retired farmers, active farmers, and other individuals may have increased somewhat, but probably not materiallly.

Mr. HANCOCK of New York. The figures given for insurance companies and banks are much too large today, and the figures for Federal land banks much too small.

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

Mr. HANCOCK of New York. I yield myself 1 additional minute, Mr. Speaker.

As was suggested by the gentleman from Massachusetts, various States are meeting this critical farm situation in accordance with local needs. In some States there is an extension of the time to redeem real estate after foreclosure. In others, personal deficiency judgments have been prohibited. In others, the court simply controls the situation by brute strength. That is, a complaint in a foreclosure action is served. The judge takes the papers and he reserves decision indefinitely. No order of foreclosure is ever granted. I understand something like 14 States have passed special legislation to handle the farm crisis. If we pass this general law it is an invitation to farmers everywhere, even though they are able to struggle along and pay their debts, to come into court and scale down their debts and reduce the interest rate which they have agreed to pay their creditors. It is demoralizing. It is dishonest legislation. The constitutional rights of honest creditors cannot be utterly disregarded.

Just in conclusion, let me say that when you pass legislation like this you are coming close to putting the farmers in the class of Indians, imbeciles, and infants. You will destroy their credit. No one will lend them money and in the long run you are doing them a disservice. The farmer is an honest, self-respecting, self-reliant man. Let States adopt laws to meet local needs. Do not injure the farmers in my section to help them elsewhere. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. HANCOCK] has again expired.

Mr. OLIVER of New York. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. The purpose of this bill, H.R. 9865, is to grant, under the bankruptcy power of Congress, extensions of time to distressed farmers for payment of their debts and mortgages, and to permit them to remain in possession of their property during the period of such extensions while payments are being made under the terms and conditions of the bill.

Under the act approved March 3, 1933, the Bankruptcy Act was amended by adding what is known as "section 75"

thereto, with reference to agricultural compositions and extensions. In brief, that act authorized farmers, at any time within 5 years, to file a petition, stating that the farmer was insolvent and unable to meet his debts, and that it was desired to effect a composition or extension of time to pay his debts, which petition the farmer would accompany with schedule of his indebtedness. Without going into detail, provision was made for a meeting of the creditors, and, after hearing was had, a means was provided by which an agreement might be reached between the farmer and his creditors with reference to scaling down his indebtedness and reaching some agreement with reference to an extension of time and also a reduction of the indebtedness upon agreement had between the farmer and his creditors.

This bill is a further extension of the act of March 3, 1933, by providing that a farmer, whose efforts under the present agricultural composition section of the Bankruptcy Act to secure an adjustment of his indebtedness have been unsuccessful, may amend his petition asking that he be adjudged a bankrupt and petition for an appraisal of his property. The court shall then appoint appraisers, who are directed to appraise the property " at its then fair and reasonable value, not necessarily the market value at the time of such appraisal."

If the debtor requests and the lien holder consents, the trustee in bankruptcy is directed to agree to sell to the debtor a part or all of the bankrupt estate at the appraised price upon the following terms:

(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 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 yearly as it accrues at the rate of 1 percent, and the debtor shall pay the taxes.

If any secured creditor shall file written objections to the manner of payments and distribution of the debtor's property as above provided for, then the court shall stay all proceedings for a period of 5 years, during which time the debtor may retain possession of all or any part of his property under control of the court upon payment of a reasonable rental therefor. At the end of 5 years, or prior thereto, the debtor may pay into court the appraised price of the property, provided that upon request of any lien holder upon real estate the court shall cause a reappraisal of such real estate to be made and the debtor may then pay the reappraised price, if acceptable to the lien holder, into court, and thereupon the debtor shall have full possession and title of said property and be discharged from all his debts, both private and public, as hereinbefore provided.

This legislation is temporary and is an emergency measure. The act which it amends expires 5 years from March 3, 1933, and this amendment will therefore expire at the same time, to wit, March 3, 1938.

Thousands of farmers are losing their homes and the savings of a lifetime, and this legislation is designed to prevent the harsh and unjust creditor from taking away from the farmer his savings of a lifetime.

The effect that this legislation will have and the relief that it will afford, like much of the other legislation passed by Congress, is speculative.

However, in addition to other legislation passed, this bill is an attempt upon the part of Congress to give the farmers a chance to try to save their homes from their creditors, and I am glad, therefore, to support it, and believe that the bill should pass.

Mr. OLIVER of New York. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. LEHR].

Mr. LEHR. Mr. Speaker, I want to answer the query just made by the gentleman from Massachusetts [Mr. McCORMACK] as to whether the Congress is giving any consideration to the condition of the home owners in the cities. I want to say to the gentleman from Massachusetts that if the Federal land bank, under the emergency farm-mortgage relief legislation which this Congress has enacted could have applied the benefits of that law to the distressed mortgage-burdened farmers of my State as well as the Home Owners' Loan Corporation has applied the benefits of the Home Loan Act to the home owners of the cities of Michigan, that there would not be the demand today on the part of the farmers in Michigan for this kind of legislation that there is. I further say to the gentleman from Massachusetts and to those who have used this same argument against granting additional mortgage relief benefits to the farmers, that the Home Owners' Loan Corporation created by this Congress has done a tremendous good to the home owners in the cities, because so far as my State of Michigan is concerned, it has been administered by persons whose sympathies are with this administration, who want to make a success of that law, who want to see that the relief is granted to the home owners, and therefore a great amount of good has been done to the home owners in the State of Michigan. I only wish that I could say as much with equal truth with reference to the farmers of my State, but unfortunately this relief is being administered by the Federal Land Bank Administration, and I say to you that judging from the manner in which the law has been administered by the Federal Land Bank of St. Paul, that they are not sympathetic either with the farmer or with this administration. As a matter of fact, I know that in certain instances the statement has been made by men working under the direction of the Federal land bank that they could not do too much for the farmer because if they did the Roosevelt administration would get the benefit of it.

As far as my State is concerned, and I speak of conditions in no other State, because I am not sufficiently familiar with those conditions except from the statements that have been made here in Congress, the administration of this relief is largely, if not almost entirely, in the hands of the same people who have been operating the Federal land bank during the Hoover administration. They do not want to see real relief furnished to the farmers; they do not want the Roosevelt administration given the credit for doing anything for the farmers. If they can hold down this relief to the smallest number and in the smallest amount, if they can create dissatisfaction among the farmers who apply for this assistance, they naturally feel there will be a reaction on the part of the farmers against our Democratic national administration. That is my answer to the gentleman from Massachusetts. This being the condition, the farmer not having received the mortgage relief which we intended he should have needs this assistance just as much now as he did a year ago.

This bill which is now under consideration came to our Judiciary Committee as the Lemke bill, it having been introduced by the gentleman from North Dakota. Our committee spent many days and some nights in earnest consideration of the problems which this bill was sought to meet and of the machinery which it was intended to set up in this bill by which to solve those problems. After giving it our serious and best consideration, we drafted a new bill known as the " McKeown " bill, which is the bill before you today and in simple fairness to the Judiciary Committee, of which I am a member, and in fairness to the lawyers in Congress, I want to say that the Judiciary Committee is composed entirely of lawyers, because of course the juridical questions which come to the Congress are supposed to be passed upon by a committee of lawyers. But the fact that this committee is composed entirely of lawyers did not prevent at least the big majority of the committee of being wholeheartedly in favor of this legislation. We redrafted

the bill as originally presented by Mr. LEMKE in order to make it more workable and in order that it might withstand any attacks which might be made against it in the courts of the land, and it has been reported out to you by a big majority of that committee.

I know that there is no more sincere friend in this Congress of the distressed farmer than is the gentleman from North Dakota [Mr. LEMKE], and I am glad that today we in the House of Representatives are going to have the opportunity of voting for one of the phases of legislation in which he has been so vitally interested all during this period of depression and when this bill has been passed by this House, and I predict it will pass by an almost unanimous vote, the gentleman from North Dakota will be entitled to the greatest credit for its enactment.

Substantial, permanent prosperity will not come back to America in its fullest measure until prosperity shall have been brought back to the agricultural industry in America. I do not mean by that, that a prosperous agricultural condition alone will make the Nation prosperous. The wage earners in the cities must be prosperous in order to furnish the consuming power for the products of the farmer, but the condition in which we have found ourselves as a result of the depression must be attacked from all sides and that is what we are doing in this type of legislation. We are merely giving to the farmer who is distressed some of the same advantages as far as the bankruptcy laws are concerned that we have given to corporations so that they can scale down their outstanding indebtedness and reorganize and carry on. The indebtedness of the people of this Nation is so staggering today that there will have to be in some form or other a scaling down of those debts. Many of the holders of mortgages and other obligations realize this and are voluntarily effecting a compromise by which the indebtedness is being reduced. This bill merely gives the distressed farmer who simply cannot carry on under his present indebtedness an opportunity to take advantage of the bankruptcy courts of the Nation and place themselves in a position where they can carry on. We do not want a Nation of tenant-occupied farms—we want a Nation of farms that are occupied and operated by the owners and this bill will help to accomplish that end.

Many of us would have liked to have had the Frazier-Lemke bill enacted into legislation because in my humble opinion it would have given greater relief to more farmers than this present bill, but if we cannot at this session of the Congress enact the Frazier-Lemke bill, surely that is the greater reason why we should pass the bill now under consideration.

The farm problem is nothing new. It has been with us continuously since 1921 with the conditions getting worse and worse every year, and practically nothing done of any material benefit to the farmers until our administration went into power in March of 1933, and it is with a great deal of personal satisfaction that I make the statement that in the 15 months which have elapsed since we took over the administration of governmental affairs in this country, we have passed more legislation for the benefit of agriculture in America than was passed in all of the 12 years which preceded it under Republican administration. I do not mean to say that all of this legislation will be successful. I do not mean to say that I have favored all of this legislation, because some of it I feel will not accomplish the purposes that it was intended it should accomplish; but I do say that at least we have enacted more legislation seeking to help agriculture than was ever passed before, and in many, many sections of this country a very perceptible improvement in agriculture was obtained as a result of that legislation, but we are now faced with an acute emergency condition, the like of which this country has not faced, in my recollection. The drought situation is one over which we have no physical control, and the result of that situation only added to this tremendous problem and makes the need that much more for this kind of legislation.

The other day the gentleman from Kansas [Mr. MCGUGIN] under an extension of remarks granted to him, inserted certain statements into the RECORD in which he criticized this administration for not doing anything relative to the enactment of the Frazier-Lemke bill. My answer to him is that this same legislation was up for consideration for approximately 4 years under the Coolidge and Hoover administrations, when his party was in complete control and yet they did nothing. At least those of us who have favored this legislation have done what he and his party never did before—we obtained the signatures of 145 Members of this Congress to a petition to bring this bill up for the consideration of the Congress, and it is my humble opinion today that had he in particular and the members of his party not engaged in the filibuster which they did, in an attempt to prevent the Democratic Members from completing the Roosevelt recovery program, that we would have been given an opportunity at this session of the Congress to have voted for the Frazier-Lemke bill.

But now that is water over the dam. We are given here today the opportunity of voting for this bill originally introduced by the gentleman from North Dakota [Mr. LEMKE]. I think it is a splendid commendation of the sincerity of purpose of the members of the Judiciary Committee that they have reported this bill out for your consideration and for your action and I hope that this bill will receive the endorsement of the Members of this House and as a result of it real benefit will be obtained by the farmers of America.

Mr. OLIVER of New York. Mr. Speaker, I yield to the gentleman from Arkansas [Mr. MILLER] 2 minutes.

Mr. MILLER. Mr. Speaker, I regret exceedingly that we do not have an opportunity to fully discuss this bill. I do not believe there is a Member on the floor who would oppose this bill if he thoroughly understood it. We must look at it from a common-sense standpoint. We all admit that there have been, by various legislation enacted by this Congress and the prior Congress, moratoria extended to every class except the farmers. We have made efforts to save the homes of the city people of this country, and this bill must pass to give the farmer the same protection. Go with me to any rural district in this country today and we will find the farmer struggling under a burden of debt. There are two things that must be done. I am not a prophet and I do not want to engage in prophecies, but before this country recovers and before a reasonable degree of prosperity returns, there must be a scaling down of indebtedness or there must be more money put into circulation in this country. Prior to doing that, are we going to permit the farmers, who are just as honest as any class of people that we have, to lose their homes? This is not like a city proposition. You may foreclose a city man's business, but you leave his home intact. Not so with the farmer, when you foreclose his business you take his home and send him and his family out on the highways, broken in spirit and in morale. You have not helped the mortgagee by so doing but in many instances you have withdrawn this land from cultivation and it does no one any good.

This bill might correctly be deemed and styled a conservation measure because it provides the machinery for the conservation of the assets of the farmer and at the same time preserves the security of the mortgage holder. It gives the actual farmer a chance to live and pay his debts. That is all they ask. That is justice and you must not for the benefit of this country deny him that right and privilege. We can by the enactment of this bill save the rural homes and we must not fail.

Mr. HANCOCK of New York. Mr. Speaker, I yield 4 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. OLIVER of New York. Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, the stability of Government depends upon homes—a Government without home owners is in danger. The present Farm Mortgage Refinancing Act is not sufficient to protect and save the farm homes. There are over 3,000 mortgage foreclosures in this Nation every 24 hours. Hundreds and thousands of the best citizens of this Nation will, within the next year, lose their homes unless we take some steps to prevent it. There is not a Member of this Congress who has not received hundreds of letters from farmers asking that something be

done by the Government to protect them and their families against pending or threatened mortgage foreclosure. These are the undisputed facts and the sad realities that confront us. This Congress must not and cannot adjourn until it has provided at least a temporary remedy. A few insurance companies and a few other mortgagees, bent upon the destruction of farm homes—upon the destruction of agriculture—must not be permitted by this Congress to commit suicide. They are their own worst enemies. They must not be allowed to demand selfishly the last pound of flesh—the last drop of blood from agriculture. They, in their selfishness, would destroy the goose that lays the golden egg. The farmers have been and are paying all they can. The agricultural debts must be scaled down within the ability of the farmers to pay.

The bill here under consideration simply provides that if a farmer is unable to meet his obligations and unable to adjust his indebtedness with his creditors, that then he can go into a Federal court and file his petition in bankruptcy and have his property appraised at its fair and reasonable market value, have his exemptions set aside and retain possession of any or all of the remainder of his property, as he may decide, under the control of the court, and pay for it on the installment plan with interest at 1 percent per annum.

These payments consist of 1-percent interest on the appraised value of the property the first year, 2½-percent principal annually for the next 2 years, and 5 percent on the principal annually for the next 2 years, and the balance of the appraised value at the end of 6 years, together with 1-percent interest each year on all unpaid balances.

If any creditor is not satisfied with this arrangement, he may object, and the court will then, after setting aside the debtor's exemptions, stay all proceedings for a period of 6 years. In the meanwhile the debtor will be permitted to retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable annual rental for that part which he retains. The first payment of such rental must be made within 6 months of the order staying proceedings. The bill provides, further, that at the end of 6 years or at any time prior thereto, the debtor may pay into court the appraised price of the property which he retains, and that thereupon the court shall turn full possession and title over to the debtor and discharge him from all further debts.

All that this bill does is to put teeth into section 75 of the Bankruptcy Act, which was passed during the closing days of the previous administration. It gives a farmer debtor an opportunity to scale down his existing indebtedness to the present value of his property and gives him an opportunity to pay that indebtedness on the installment plan with 1 percent interest. This bill gives to the farmers the same rights that we have already given to corporations, and other industries, and other debtors.

The gentleman from Massachusetts asks what about the city homes. My answer is that we are now making loans on mortgages on city homes up to 80 percent of their value, but on farms and farm homes, under the Farm Mortgage Refinancing Act, we grant loans on first mortgages only up to 50 percent of the value of the land and 20 percent on insured buildings and improvements, making the average about 40 percent of the total value of farm homes and improvements, as compared to 80 percent on city homes. I do not object to the 80 percent on city homes, but I do object to the 40 percent on farms and farm homes. That is why we need this legislation.

The Farm Credit Administration, which is most vitally concerned in this legislation, is not opposed to this bill. This bill, in fact, will assist the Farm Credit Administration. It will scale down farm indebtedness to their present values so that the Farm Credit Administration can function. This bill is an amendment to section 75 of the Bankruptcy Act. It is not a new bankruptcy act. All of the provisions of the Bankruptcy Act apply to this bill. It simply amends section 75 of that act by adding a new subsection. It puts a few teeth into section 75 and makes it possible for the farmer to keep his home and to provide for his family until he is able to meet his obligations properly scaled down.

The arguments that have been advanced against this bill should have been advanced against the Bankruptcy Act in 1867 when it was first proposed and passed—they apply with equal force against the original Bankruptcy Act. There is nothing new about this amendment. Courts have already been doing everything that we ask for in this amendment for commercial businesses. Under the supervision of the Federal courts, going concerns have been continued in business. Now, by this amendment, we are asking the courts to permit the farmer to continue his business under the control of the court. The necessity for such an amendment is here.

I know that not a single Member of this House would vote against this bill if they all knew the facts and the desperate situation that exists in many of the States of this Union; if they could realize that the defeat of this bill will mean the loss of the men, women, and children occupying 400,000 farm homes within the next 2 years. If only we all could see and understand the dire distress of the millions of men and women living on farms in the North Central and South Central States, then there would not be one moment's hesitation in the passage of this bill.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. BROWN of Kentucky. I am very much interested in this bill. Does the gentleman not think, under the language on page 3—

> Upon request of the debtor and with the consent of the lienholder or lienholders.

if he has got to get the consent of the lienholders, then he is not going to derive much benefit from this act?

Mr. LEMKE. I agree with the gentleman that the original bill was better, but under section 7 of this bill the farmer gets a moratorium for 6 years, and he has the opportunity to get his indebtedness scaled down to present values, so that he will be in a position to be refinanced.

Answering the gentleman from Pennsylvania that under this bill, farmers could remain in possession of their farms for 6 years by paying rental—why not? Surely we do not wish to destroy 400,000 homes and add still further to the army of unemployed in the cities and towns. The courts of bankruptcy are now doing this very thing for other industries—going concerns. It is about time that we realize that a farm is a going concern.

With regard to the constitutionality of this bill, I shall not discuss it, because on the Judiciary Committee of the House there are 25 lawyers, more able than I, and 17 on the Senate Committee on the Judiciary. These committees have o.k.'d it. I am not worried about the constitutionality of it. Let the Supreme Court decide that. I may say that I was able to answer every question asked by the members of the Senate Committee on the Judiciary with citations from decisions of the Supreme Court of the United States; and those Senators who at first objected to the bill finally accepted it, and the bill has passed the Senate without amendment. The House, however, substituted the House bill. I am for it because it is, after all, the best we can get. The House bill makes the whole thing voluntary except in section 7 which is compulsory.

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

Mr. LEMKE. I yield.

Mr. PEYSER. The gentleman stated that the insurance companies were vitally interested in this. Is it not true that about 80 percent of these mortgages are held by individuals?

Mr. LEMKE. No; that is not true. Less than 22 percent are held by individuals. The individuals generally have second, third, and fourth mortgages. The insurance people have protected themselves with first mortgages and they, as a matter of fact, are trying to commit suicide. I am sorry for them, for they are the ones who should be the last to object to this bill.

Mr. ZIONCHECK. Even if the law is eventually held to be unconstitutional, it would give the farmers some relief and a breathing spell in the meantime?

Mr. LEMKE. Yes; that is correct. Something has been said concerning orphans and widows who have loaned money on farms, but nothing has been said of the orphans and widows that live on the farms who have created the agricultural wealth of this Nation. Nothing was said when these orphans and widows lost their money in the banks. We scaled down the deposits of orphans, widows, and other people some six billion. If that had not been done, then the farmers would not have to scale down now. There would have been plenty of money so that their farms could be refinanced and this bill will not be necessary.

Mr. CHRISTIANSON. Are we any more lenient to the farmer under this bill that we were to corporations under a measure that was enacted here some few weeks ago?

Mr. LEMKE. No; we are not as lenient to the farmer; but whenever the farmer asks for something, for some reason we assume that he is not entitled to it. We feel that he is not entitled to any consideration. We forget that this 130,000,000 will in the near future make itself felt in, no uncertain way unless we deal justly with them. I am sure the gentlemen of the House do not want that.

Mr. HASTINGS. Will the gentleman tell us the difference between the House and Senate bills?

Mr. LEMKE. The principal difference is that the House bill makes it voluntary on the part of the creditors. It has easier terms of payment than the Senate bill. The Senate bill requires higher payments. The creditors are bound more by the Senate bill. In this bill they have their own way. Their consent is required, excepting in section 7.

Mr. HASTINGS. Who pays the taxes?

Mr. LEMKE. In the Senate bill nothing is said about that, but in the House bill the debtor does.

Mr. TRUAX. It is said by the gentleman from New York that this would place the farmer in the class of imbeciles and infants. I resent that statement, as I know the gentleman from North Dakota does, but may I say that is typical of the argument of the money lender and his representatives. They are the ones that placed the farmers in the poorhouse.

Mr. HANCOCK of New York. The gentleman misconstrues the statement of some one everytime he comments. He misconstrues the statements of everyone. I did not expect the gentleman to understand it, but everybody else understands the matter.

Mr. LEMKE. The gentleman from New York has been eminently fair to us in connection with this bill so far, and has been reasonable in all the dealings I have had with him on the bill.

Mr. KURTZ. May I ask the gentleman what the exemption is in some of the States of the Union?

Mr. LEMKE. The exemptions of the States of the Union are different. In Minnesota it is 80 acres for a homestead, but if that 80 acres is mortgaged for more than it is worth, then there is no homestead. In my State it is 160 acres, and they are all mortgaged for more than they are worth. Therefore, there are no homestead rights in North Dakota at the present time. The same thing is true of Minnesota. There are different laws in the different States, and I am not familiar with all of them. In my State even the chickens, the turkeys, horses, pigs, and cattle are mortgaged.

Mr. KURTZ. If the mortgage is on a homestead of 160 acres, then that mortgage is attached and is a voluntary indebtedness of the debtor?

Mr. LEMKE. Yes. The homestead right is subject to mortgage. All liens under this bill remain the same as before. It does not affect any priorities.

In conclusion, may I repeat that H.R. 9865 is constitutional and finds its authority in section 8 of the Constitution providing that Congress may pass uniform laws on the subject of bankruptcy, that all of its provisions in some form or other have been sanctioned in bankruptcy proceedings and have the approval of the Supreme Court of the United States and the Federal courts. It is true that the principles established are applied in a little different way and a little more to the protection of the agricultural bankrupt and to his reestablishment as a useful member of society.

This new application of well-settled principles of law toward the reestablishment of the bankrupt as well as the protection of the creditor has been also recognized in an extension of time in mortgage foreclosures by the Supreme Court of the United States in the Minnesota case, and by the President of the United States during the bank holiday.

Therefore, I respectfully submit that H.R. 9865 is constitutional; that in case the debtor and creditor cannot get together and conciliate under section 75 it provides an honest and efficient method of scaling down indebtedness to the present reasonable value of the debtor's property; that it is humane and will protect and save the homes of hundreds and thousands of families, and that it is essential to the well-being not only of the people living on the farms but of the people of this Nation. We cannot and should not crowd more people into our already over-crowded cities. In the adjustment inevitably brought about by the depression, no one should be permitted to destroy society in order to exact the last pound of flesh. All must give and take. The creditor is no more holy and sacred than the debtor. The Constitution was made for the people and not the people for the Constitution.

[Here the gavel fell.]

Mr. OLIVER of New York. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. RANDOLPH] such time as he desires.

Mr. RANDOLPH. Mr. Speaker, the distressed farmers in the district I represent need this measure. It will not place them in a special, privileged class, but will actually put them on a parity with others who are being helped in this crisis. This is a vital bill and deserves united support.

Throughout West Virginia there are thousands of really desperate farmers who, under this important measure, will be given the opportunity for extension of time to pay their debts and to handle mortgages. They will be able to remain on their farms during the time of the extensions while paying those debts which they honestly desire to settle but which cannot be met as conditions now exist.

Prompt passage of this bill in the closing hours of the Seventy-third Congress will be one of the real humanitarian acts which we can perform here. To destroy the farmers of America is to destroy those fine citizens who are always our bulwark in time of need. Now they are faced with a need. We must not fail to give them this legislation today.

Mr. OLIVER of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. LLOYD].

Mr. LLOYD. Mr. Speaker, your Committee on the Judiciary has realized the far-reaching effect of this legislation. It realizes, too, the fact that this is no new legislative policy upon which we are embarked. By the passage of this act we are simply making workable the bankruptcy act which is already existing law. We are providing a means whereby the farmer may avail himself of an existing law passed by a preceding Congress that was intended to benefit him.

Under the law as it now exists, the farmer who cannot pay his debts and avails himself of the bankruptcy act must submit to rules and regulations laid down by the conciliators appointed. Those conciliators may, and oftimes do in the broad discretionary power conferred upon them by the law, make terms and conditions which the farmer cannot meet. By this act, it is our intent and purpose to provide an honest remedy for the creditor and to provide, too, some method by which the honest farmer who is willing and anxious to pay his debts may save his home and become again a useful member of society.

Something has been said of the justice and equities of this act. Permit me to remind the Membership of this House that at the peak of our predepression prosperity when most of these mortgages to be affected by this act were procured and given, this country had national assets of approximately $391,000,000,000. At the same time, we had debts outstanding and existing of between two hundred and thirty-five and two hundred and forty billions of dollars so that at that time, based upon the monetary values

then existing, the Nation, as a whole was solvent—in other words, the assets of the people exceeded the liabilities of the people, but came the depression, and it is estimated by those who have given careful study to the subject that our $391,000,000,000 representing the sum total of our national assets have depreciated in value by at least two hundred billion dollars, leaving at the most a hundred and ninety-one billions of dollars with which to pay at the least two hundred and thirty-five billion in debts, based upon the present value of the American dollar. It is a safe assumption that the debts of the Nation have not decreased, but rather that they have increased since the peak of prosperity in 1928.

It is all too plain that the people of this Nation cannot pay $235,000,000,000 in debts with total assets of only $191,000,000,000. It is all too plain that somehow and in some way if the creditor class of this Nation insists upon immediate payment at present monetary values, it must submit to a scaling down of those debts, for if judgments were taken and executions rendered upon every debt existing in the Nation today and all of the assets of all of the people taken to satisfy the creditors' obligations there would not be within 40 percent enough assets to meet the obligations, to say nothing of the expensive process of suit and judgment and execution, and foreclosure, and to say nothing, too, of the lack of wisdom that would be involved in a policy that would permit the wiping out of practically all of the assets of the average man and woman of this Nation. We are trying in every way possible to raise prices to decrease the value of the commodity dollar to enable the people of this country who are anxious and willing to pay to meet their obligations upon conditions reasonably similar to the conditions that prevailed at the time the debts were incurred. We are trying to go ahead; we are trying to bring this country and the people of this country out of the depression, and again onto the broad road of prosperity.

By the passage of this act we say to the man who demands payment now: "You may take the full value of your security and you shall be secured while the farmer who wants to pay and is willing to pay may be enabled to raise the money to pay you. If you are unwilling to do that you shall wait for a period of 5 years during which we hope to raise prices of farm commodities and of farms and homes to a point somewhere nearly equal to the values calculated by you and the borrower at the time the obligation was incurred."

The commodity dollar still wavers somewhere in the neighborhood of the value of 200 cents so that the farmer who in 1928 borrowed a thousand dollars upon his farm must of necessity pay back today to satisfy that debt in commodities, in earning power, in effort, at least $2,000, or twice what he borrowed, which is a condition that neither the debtor nor creditor contemplated at the time the transaction was entered into and, in my judgment, a 200-cent commodity dollar is no more an honest dollar than a 50-cent commodity dollar would be.

We are confronted with a practical proposition. We will either give the relief demanded by this resolution, and give to the farmer a respite until we are able to raise commodity prices so that it will be possible for him to pay his debts, or we will see a Nation bankrupt. The great bulwark of the American people is and always has been and always will be the farmers of this Nation. Wipe them out and you will have destroyed American ideals, American institutions, and all that which represents the finest and noblest and best in American life.

It is my hope that you will follow the committee and choose the course of wisdom and the course that we believe will result in ultimate prosperity to all of the American people.

Mr. HANCOCK of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, this bill is simple justice. Any creditor having a mortgage or lien on the property of a farmer today certainly is not entitled to any more than the property will bring if it is sold at this time.

Many of these large insurance companies and others who have invested heavily in farm mortgages have for the past couple of years patted themselves on the back and said, "Why, we have not foreclosed many mortgages." That is true, many of them have not foreclosed mortgages, but the reason they have not foreclosed the mortgages is that if they were to foreclose they would get much less than the amount of their lien, and for that reason they are having the farmer stay on the farm in the hope that he will hang on to it until the property is worth the amount of the lien against it.

The present system forces the farmer to stay on the property and work himself out of that tremendous debt burden. This bill provides that the creditors are entitled to all the property is worth and no more, and it provides that if the farmer stays on the property he will get the benefit of any increase in value of the property as a result of his energy, his effort, his feeding of the livestock, and his doing his utmost to preserve the value of the property. [Applause.]

At the present time if any one has a lien upon business property and the business man decides to go into bankruptcy, all the creditors get is the present fair value of the property. It probably would not even be the fair value, because it would be knocked down under the hammer and sold at a forced sale. This bill protects the farmers' creditors as much as commercial creditors are protected under existing law.

[Here the gavel fell.]

Mr. OLIVER of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. BUSBY].

Mr. BUSBY. Mr. Speaker, this bill is one made necessary by a condition. The income and paying power of the farmer when he made the debts he is called upon now to settle was perhaps three or four times what his income and paying power is now. It is absolutely impossible for him to pay the debt at the old level with his present income and paying power.

Now, what is the effect of selling farm homes? When you sell a farm you sell a man's home. If you sell a business in a city, you likely leave the home of the man, and he can go and get another job. If you sell his home in the city, you leave his business, and he can find somewhere else to live, but whenever you sell the farm of a man you put him and his family in the road without business, without home, and without hope.

National distress is most keenly felt where men have lost their homes and farms and business together. A farm sold out from under a man and taken over by his creditors becomes almost a useless thing, because the creditor cannot operate the farm. He has something he hopes to pass on to another farmer, and the best condition will be maintained if the farm remains in the hands of its present owner, with the owner given an opportunity to meet his obligations, scaled down to the paying power he can raise, so that he can go forward in caring for his family, redeeming his home, and being an American citizen. [Applause.]

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. PEYSER].

Mr. PEYSER. Mr. Speaker, I believe that many of the Members are overlooking a very vital point in connection with this legislation—that is the fact that you are removing from the farmer the possibility of securing any mortgage assistance in the future. I believe in the enactment of this law and the scaling down of values you are going to take away the possibility of help that may be needed by these farmers in the future.

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

Mr. PEYSER. Gladly.

Mr. DOWELL. If the farm is sold under the mortgage, the mortgagor will get less than its actual value usually, will he not?

Mr. PEYSER. Not necessarily.

Mr. DOWELL. Then will he not fare better if this bill is passed and he gets the actual value of the property or all that the man has?

Mr. PEYSER. I do not know whether he will fare better or not, but the holder of the mortgage is certainly the man who is going to suffer, no matter what happens, under this legislation.

Mr. DOWELL. But he will get all the value there is in the property—he will get everything there is in it.

Mr. PEYSER. Who will?

Mr. DOWELL. The holder of the mortgage will get all there is in the property.

Mr. PEYSER. I do not agree with the gentleman, and I cannot yield further, because I want to bring out this further point.

A point has been made about the enormous amount of these mortgages held by the insurance companies. Regardless of what the gentleman from Minnesota says, the percentage is less than 30 percent, and you are not taking into account the individuals, probably widows and orphans, who may hold mortgages on these properties in the communities in which they reside.

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

Mr. PEYSER. I have not time to yield.

You are asking, under this bill, that the insurance company, the mortgage company, the savings bank, or individual holder of the mortgage be forced to take 1 percent on his money when he may have been a borrower of money himself. He may have gone out into the market and borrowed money at 3 percent, and yet he is forced to turn around and accept 1 percent.

Another feature of the bill is the rental feature. Under the terms of the bill, under the 5-year moratorium, the man is bound to accept as the tenant of the property the debtor who owns the property. It may be an advantage that he is depriving the mortgage holder of, because he may have a neighbor next door who would pay double the price to occupy the same property, and you are also losing sight of the fact that you are considering here a measure to help a few million farmers, but you do not realize that you are hurting about 60,000,000 policyholders throughout the country, who are interested in their savings as well as the farmer. Ninety-two percent of the assets of insurance companies is held by nonprofit or mutual companies, and everything that is to the disadvantage of such a company is reflected in the pocketbook of the man who owns a policy of insurance.

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

Mr. PEYSER. I yield.

Mr. McCORMACK. What benefit does the home owner get?

Mr. PEYSER. None.

Mr. McCORMACK. Are they not in the same position?

Mr. PEYSER. Absolutely.

[Here the gavel fell.]

Mr. OLIVER of New York. Mr. Speaker, I yield one-half minute to the gentleman from Missouri [Mr. RUFFIN].

Mr. RUFFIN. Mr. Speaker, anybody can realize the intricacies involved in formulating a piece of legislation of this character. I happen to have been a member of the subcommittee that had the responsibility of preparing this proposed legislation. There are two or three amendments in here that I suggested which the Senate has left in the bill.

I think the legislation is in the best possible shape, and I am inclined to think it will do a great deal more good to the entire country, including the farmers, than it will harm.

We all regret the fact that conditions are such that we have to pass legislation such as this, but we must meet the facts and conditions as they exist.

Mr. OLIVER of New York. Mr. Speaker, I yield 2 minutes to the lady from Arizona [Mrs. GREENWAY],

Mrs. GREENWAY. Mr. Speaker, there is an element in this bill that has not been properly stressed, and that is the element of peace of mind. Unfortunately, the penalty of pending disaster is unfairness—and the object of this legislation is to arrive at a reasonable compromise for all people involved. We are asking that the group who holds the mortgages on our farms take a sacrifice such as other businesses are taking in order to allow the farmer with his family to remain in the four walls of his home on these farms until they can have time to work their way out. There are no people in the United States who mean more to the Nation's future than our farmers. [Applause.]

Mr. OLIVER of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. BROWN].

Mr. BROWN of Kentucky. Mr. Speaker, I agree with the sentiment just expressed by the lady from Arizona. The farmers of the country are and always have been an honest class of people. They want to pay their debts when able to pay them. At this time, due to losses, when the farm products have brought low prices for several years, the farmers have found themselves in a condition where they are about to be dispossessed of their homes.

This bill works no injustice to the creditor class. It does not take a solitary penny from them. It simply says that you must give the farmer a reasonable time to repossess his property. That is the same right that we have conceded to the owner in the city.

Mr. CARPENTER of Kansas. Inasmuch as we have given a moratorium to every other class in this country why then should we not give the farmers of this country a moratorium at the same time since it does not take anything away from the creditor class?

Mr. BROWN of Kentucky. I agree with the gentleman. This simply gives the farmer the right to repossess his property.

Mr. TRUAX. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. TRUAX. Is it not a fact that those who oppose the bill are simply playing into the hands of the money lenders who rob the people?

Mr. BROWN of Kentucky. I do not know that I can agree with the gentleman—I think the opponents of the bill are honest.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. CHRISTIANSON. In view of the fact that the total indebtedness of the American people now aggregates $200,000,000,000, which is equal to the value of all the physical wealth in the United States, does not the gentleman believe that economic stability cannot be reestablished and the buying power restored unless debts generally are scaled down as proposed in this bill?

Mr. BROWN of Kentucky. I think that is true.

Mr. MILLER. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. MILLER. As a matter of fact this bill conserves the interest of the farmer and the mortgagee also?

Mr. BROWN of Kentucky. That is true. It conserves the rights of the holder of the mortgage as well as the mortgagor. There is no question about that.

Mr. DONDERO. If you destroy the farmers of this country, you will not have any country.

Mr. BROWN of Kentucky. If you wipe out the farmers of this country, the mortgage holders' rights would not be worth a darn.

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

The question was taken; and on a division (demanded by Mr. PEYSER) there were—ayes 133, noes 16.

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

The SPEAKER. Without objection, H.R. 9865, a similar House bill, will be laid on the table.

There was no objection.

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to extend my remarks upon this bill.

The SPEAKER. It is not necessary to make that request now. Everyone has permission under the general rule adopted to extend their remarks in the RECORD.

UNIFORMITY OF LAWS RESPECTING LABOR IN INDUSTRY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 267, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, etc., That the consent of Congress is hereby given to the several States to negotiate and enter into compacts or agreement among them or any of them providing for greater uniformity in the laws of the several States affecting the relation of employers and employees.

SEC. 2. Such consent is given upon condition that a representative or representatives of the United States, to be appointed by the President, shall participate in such negotiations and shall report to the Congress, as soon as practicable after the conclusion of such negotiations, the proceedings and any compact or agreement entered into. No such representative so appointed shall be paid any salary or compensation for such services but shall be allowed such reasonable actual and necessary traveling and subsistence expenses as the President shall determine. There is authorized to be appropriated such sums, not in excess of $, as may be necessary for the purposes of this section.

SEC. 3. No such compact or agreement shall be binding or obligatory upon any State a party thereto unless and until it has been approved by the legislatures of each of the States whose assent is contemplated by the terms of the compact or agreement and by the Congress.

With the following committee amendment:

Page 2, strike out all of section 2 and insert the following:

"SEC. 2. Upon the request of the States negotiating under this act the President may designate a representative to attend upon such negotiations."

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object to call attention of the House to the fact that we just passed the bill that I spoke for. I withdraw my reservation of objection.

Mr. LUNDEEN. Mr. Speaker, I reserve the right to object in order to have the RECORD show that until the legislative program of the farm organizations has been enacted into law and until the legislative program of labor organizations has been enacted into law and until the legislative program of the veterans is enacted into law, until we obey their mandate, I am opposed to the adjournment of Congress.

PASS THE FRAZIER-LEMKE FARM BILL

What became of the Frazier-Lemke farm bill? Why do we fail to enact a program of social insurance; for instance, why not pass H.R. 7598?

PASS H.R. 7598—THE WORKERS' UNEMPLOYMENT BILL

The Lundeen bill for unemployment, part-time employment, old-age pensions, accident, health, and maternity benefits—there you have a complete picture of social insurance legislation—why not real social-service legislation—you have got to come to it—why not now? Why are we adjourning without the soldiers' adjusted-service compensation, the so-called "bonus law"? It passed the House on my motion, 313 to 103, and on final passage 295 to 125.

PASS THE VETERANS' ADJUSTED-COMPENSATION BILL

Yet a feeble attempt is made in the Senate by trying to tack it on the silver bill as an amendment. It had no business on the silver bill and lost 51 to 31. Why did not the Senate vote on the bill on its merits—there is unlimited debate in that great body—where was the veterans' phalanx there? Who delivered blazing, fiery speeches there for the men of the World War? We did our duty in the House and Senators assured me today that a vote on its merits would pass this bill in the Senate. Then why was there no vote on its merits? Let those who are responsible answer that question. America needs these proposed laws, and until we pass them and enact them into law I am opposed to adjournment.

The SPEAKER. Is there objection?

There was no objection.

The committee amendment was agreed to, and the joint resolution 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.

PERMANENT APPROPRIATIONS

Mr. GRIFFIN. Mr. Speaker, I call up the conference report upon the bill H.R. 9410, providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, and move the adoption of the conference report.

The Clerk reported the conference 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 bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 209.

That the House recede from its disagreement to the amendments of the Senate numbered 79, 80, 81, 82, 84, 85, 86, 89, 93, 98, 99, 101, 204, and agree to the same.

Amendments numbered 1 to 38, inclusive: That the House recede from its disagreement to the amendments of the Senate numbered 1 to 38, inclusive, and agree to the same with an amendment as follows:

Amend the amended section to read as follows:

"SEC. 2. (a) Effective July 1, 1935, the permanent appropriations under the appropriation titles listed in subsection (b) of this section are repealed, and such portions of any acts as make permanent appropriations to be expended under such accounts are amended so as to authorize, in lieu thereof, annual appropriations from the general fund of the Treasury in identical terms and in such amounts as now provided by the laws providing such permanent appropriations, except that any appropriation for 'Adjusted losses and contingencies, postal fund', is authorized to be made from the postal revenues. Any unobligated balances remaining in the permanent appropriations under these accounts on June 30, 1935, shall be covered into the surplus fund of the Treasury: *Provided*, That in addition to amounts in lieu of the permanent appropriation 'Meat Inspection, Bureau of Animal Industry (fiscal year)' there is authorized to be appropriated such other sums as may be necessary in the enforcement of the meat-inspection laws (U.S.C., title 21, secs. 71 to 96, inclusive).

"(b) (1) Interest on Indian trust funds.

"(2) Civilization of the Sioux (4x950).

"(3) Meat Inspection, Bureau of Animal Industry (fiscal year) (3–114).

"(4) National Forest Reservation Commission (fiscal year) (3–494).

"(5) Pay of consular agents for services to American vessels and seamen (1x561).

"(6) Allowance or drawback (Internal Revenue) (2x438).

"(7) Redemption of stamps (Internal Revenue) (2x432).

"(8) Refunding legacy taxes, act March 30, 1928 (2x430).

"(9) Refund of excessive duties (Customs) (2x324).

"(10) Debentures or drawbacks, bounties, or allowances (Customs) (2x321).

"(11) Allowance or drawback (Industrial Alcohol) (2x440).

"(12) Permanent International Commission of Congresses of Navigation (fiscal year) (8–887).

"(13) Operating and care of canals and other works of navigation (8x881).

"(14) Removing sunken vessels or craft obstructing or endangering navigation (8x888).

"(15) Removing obstructions in Mississippi, Atchafalaya, and Old Rivers (fiscal year) (8–961.58).

"(16) Maintenance of channel, South Pass, Mississippi River (fiscal year) (8–961.55).

"(17) Gaging waters of the Mississippi and its tributaries (fiscal year) (8–961.54).

"(18) Examinations and surveys at South Pass, Mississippi River (fiscal year) (8–961.53.)

"(19) Recoinage of silver coins (2x106).

"(20) Refunding duties on goods destroyed (Customs) (2x330).

"(21) Refunding to national banking associations excess of duty (2x228),

"(22) Salaries and expenses, Federal Board for Vocational Education (fiscal year) (0–801).

"(23) Repayment of taxes on distilled spirits destroyed by casualty (2x431).

"(24) Adjusted losses and contingencies, postal fund (9x256).

"(25) Refunding proceeds of unclaimed merchandise (Customs) (2x326).

"(26) Proceeds of goods seized and sold (Customs) (2x322).

"(27) Operating snag and dredge boats on upper Mississippi, Illinois, and Minnesota Rivers (fiscal year) (8–962.60).

"(28) Operating snag boats on the Ohio River (fiscal year) (8–962.51)."

And the Senate agree to the same.

Amendments numbered 39 to 78 inclusive: That the House recede from its disagreement to the amendments of the Senate numbered 39 to 78, inclusive, and agree to the same with an amendment as follows: Amend the amended section to read as follows:

"SEC. 4. (a) Effective July 1, 1935, all receipts of the character theretofore credited to the appropriation accounts appearing on the books of the Government and listed in subsection (b) of this section shall be deposited into the Treasury as miscellaneous receipts, and amounts equal thereto are authorized to be appropriated annually from the general fund of the Treasury for the same purposes for which such receipts are now appropriated. Appropriations to which expenditures under such accounts have been chargeable theretofore are hereby repealed, effective on such date: *Provided*, That if the total of receipts for any one fiscal year for any of the foregoing purposes under this authority is greater than the amounts appropriated for such purpose, such excess is authorized to be appropriated for the following fiscal year.

"(b) (1) Wagon roads, bridges, and trails, Alaskan fund (4s524).

"(2) Public schools, Alaska fund (4s366).

"(3) Coos Bay Wagon Road Grant fund (4s168).

"(4) Payment to Oklahoma from royalties, oil and gas, south half of Red River (4s028).

"(5) Five-percent fund of net proceeds of sales of agricultural lands in Colorado (4s183).

"(6) Annette Islands Reserve, Alaska, fund from leases (5s740).

"(7) Relief of the indigent, Alaska fund (2s108).

"(8) Naturalization fees, publishing citizenship textbooks, Bureau of Naturalization (6–836).

"(9) Additional income tax on railroads in Alaska (2s442).

"(10) Ordnance material, proceeds of sales (War) (8s422).

"(11) Maintenance and operation of dams and other improvements of navigable waters (8s876).

"(12) Construction, irrigation system, Wapato project, Washington, act February 14, 1920 (5s781).

"(13) Maintenance, irrigation system (name of project), act August 1, 1914.

"(14) Maintenance, irrigation system (name of project), act May 18, 1916.

"(15) Maintenance, power system, Flathead Reservation, Mont., act May 10, 1926 (5s796).

"(16) Power plant, Coolidge Dam, Ariz., electric-current fund, act March 7, 1928 (5s804.9).

"(17) The Oregon and California land-grant fund (4s169).

"(18) Redistribution, funds for indigent, Alaska fund (2s109).

"(19) Building or purchase of vessels for the Coast Guard from proceeds of sales (2s373).

"(20) Rebuilding and improving Coast Guard stations from proceeds of sales (2s363).

"(21) Military post construction fund (8s250).

"(22) National Guard, section 87, National Defense Act, fiscal year (8–715).

"(23) Indian school improvements, act April 21, 1904 (4x794).

"(24) Purchase of lands for landless Indians in California, act March 3, 1925 (4x812).

"(25) Yuma auxiliary irrigation project, Arizona (4s507).

"(26) Alaska reindeer fund (4s365).

"(27) United States naval prison activities fund (7s925).

"(28) Injury claims assigned, Veterans' Administration (0s878).

"(29) After June 30, 1936, migratory bird conservation fund (3s362).

"(30) Losses on war-risk insurance of American vessels, their cargoes, etc., special fund (0s865).

"(31) Gas production, helium plants, Bureau of Mines (6s685).

"(32) Perry's Victory Memorial (0s727).

"(33) Inland and Coastwise Waterways Service fund (8x875).

"(34) Five-percent funds to States (4s166)."

And the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows:

Restore the matter stricken out by said amendment amended to read as follows:

"SEC. 8. Effective July 1, 1935, the appropriation account on the books of the Government entitled 'Recreation Fund, Army' (8T078) is abolished and the balance thereof shall be covered into the surplus fund of the Treasury: *Provided*, That an amount equal to the amount so covered into the surplus fund of the Treasury is hereby authorized to be appropriated from the general fund of the Treasury in the event of war, for the recreation, amusement, comfort, contentment, and health of the enlisted personnel of the Military Establishment."

And the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows:

Restore the matter stricken out by said amendment amended to read as follows:

"SEC. 10. (a) Effective July 1, 1935, credit shall be made to the replacement accounts appearing in subsection (b) of this section of only such amounts as represent sales of stores, materials and supplies at actual cost to the War Department.

"(b) (1) Replacing Army transportation (fiscal year) (8–228).

"(2) Replacing clothing and equipage (fiscal year) (8–231).

"(3) Replacing subsistence of the Army (8s666).

"(4) Replacing regular supplies of the Army (fiscal year) (8–234).

"(5) Replacing Signal Corps supplies and equipment (fiscal year) (8–545).

"(6) Replacing medical supplies (fiscal year) (8–511).

"(7) Replacing engineer equipment of troops (fiscal year) (8–315).

"(8) Replacing engineer operations in the field (fiscal year) (8–316).

"(9) Replacing engineer depots (fiscal year) (8–317).

"(10) Replacing ordnance and ordnance stores (fiscal year) (8–425).

"(11) Replacing barracks and quarters (fiscal year) (8–209).

"(12) Replacing water and sewers at military posts (fiscal year) (8–233)."

And the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: Renumber the section to read "11"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: Renumber the section to read "12"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91,

and agree to the same with an amendment as follows: Renumber the section to read "13"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: Renumber the section to read "14"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: Renumber the section to read "15"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: Renumber the section to read "16"; and the Senate agree to the same.

Amendments numbered 96 and 97: That the House recede from its disagreement to the amendments of the Senate numbered 96 and 97, and agree to the same with an amendment as follows: Amend subsection (a) of the amended section to read as follows:

"SEC. 17. (a) Effective July 1, 1935, the appropriation accounts appearing on the books of the Government and listed in subsection (b) of this section, as well as appropriation accounts bearing similar titles on the books of the Government, are abolished, and any unobligated balances under such accounts as of June 30, 1935, shall be covered into a trust fund receipt account in the Treasury to be designated "Unclaimed moneys of individuals whose whereabouts are unknown." Any appropriations to which expenditures under such accounts have been chargeable heretofore are hereby repealed. There are authorized to be appropriated, annually, from such account such sums as may be necessary to meet any expenditures of the character now chargeable to the appropriation accounts abolished by this section. The Secretary of the Treasury or the Commissioners of the District of Columbia, as the case may be, shall submit with their annual estimates of appropriations an amount necessary to meet expenditures properly chargeable to this account."

And the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: Renumber the section to read "18"; and the Senate agree to the same.

Amendments numbered 102, 103, and 104: That the House recede from its disagreement to the amendments of the Senate numbered 102, 103, and 104, and agree to the same with an amendment, as follows: Amend the amended section to read as follows:

"SEC. 19. Effective July 1, 1935, moneys received as: Patent Office fees; unearned moneys, lands (Interior Department); reentry permit fees (Labor Department); naturalization fees (Labor Department); and registry fees (Labor Department); and held in the official checking accounts of disbursing officers, shall be deposited in the Treasury of the United States to appropriately designated trust-fund receipt accounts and shall be available for refunds, and for transfer of the earned portions thereof into appropriate receipt fund titles on the books of the Government: *Provided*, That donations, quasi-public and unearned moneys carried in official checking accounts of disbursing officers and of others required to account to the Comptroller General (including clerks and marshals of the United States District Courts), administered by officers of the United States by virtue of their official capacity, shall be deposited similarly into the Treasury as trust funds and are hereby appropriated and made available for disbursement under the terms of the trust."

And the Senate agree to the same.

Amendments numbered 105 to 201, inclusive: That the House recede from its disagreement to the amendments of the Senate numbered 105 to 201, inclusive, and agree to the same with an amendment as follows: Amend the amended section to read as follows:

"SEC. 20. (a) The funds appearing on the books of the Government and listed in subsections (b) and (c) of this section shall be classified on the books of the Treasury as trust funds. All moneys accruing to these funds are hereby appropriated, and shall be disbursed in compliance with the terms of the trust. Hereafter moneys received by the Government as trustee analogous to the funds named in subsections (b) and (c) of this section, not otherwise herein provided for, except moneys received by the Comptroller of the Currency or the Federal Deposit Insurance Corporation, shall likewise be deposited into the Treasury as trust funds with appropriate title, and all amounts credited to such trust-fund accounts are hereby appropriated and shall be disbursed in compliance with the terms of the trust: *Provided*, That, effective July 1, 1935, expenditures from the trust fund 'Soldiers' Home, Permanent Fund' (8t184) shall be made only in pursuance of appropriations annually made by Congress, and such appropriations are hereby authorized: *Provided further*, That personal funds of deceased inmates, Naval Home, now deposited with the pay officer of the Naval Home, shall be deposited in the Treasury to the credit of the trust fund account 'Personal Funds of Deceased Inmates, Naval Home' (7t989): *Provided further*, That on June 30 of each year there shall be transferred to the trust fund receipt account directed to be established in section 17 of this act, such portion of the balances in any trust-fund account hereinbefore or hereafter listed or established, except the balances in the accounts listed in subsection (c) of this section, which have been in any such fund for more than 1 year and represent moneys belonging to individuals whose whereabouts are unknown, and subsequent claims therefor shall be disbursed from the trust-fund receipt account 'Unclaimed Moneys of Individuals Whose Whereabouts are Unknown', directed to be established in section 17 of this act.

"(b) (1) Philippine special fund (customs duties) (2s332).

"(2) Philippine special fund (internal revenue) (2s443).

"(3) Unclaimed condemnation awards, Treasury Department (2t921).

"(4) Naval reservation, Olangapo civil fund (7s967).

"(5) Personal funds of deceased inmates, Naval Home (7t989).

"(6) Return to deported aliens of passage money collected from steamship companies (6t749).

"(7) Vocational rehabilitation, special fund (0c980).

"(8) Library of Congress gift fund (0c260).

"(9) Library of Congress trust fund, investment account (0c249).

"(10) Library of Congress trust fund, income from investment account (0c246).

"(11) Library of Congress trust fund, permanent loan (0c248).

"(12) Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act (0t476).

"(13) Cooperative work, Forest Service (3c209).

"(14) Wages and effects of American seamen, Department of Commerce (6t055).

"(15) Pension money, St. Elizabeths Hospital (4t545).

"(16) Personal funds of patients, St. Elizabeths Hospital (4t546).

"(17) National Park Service, donations (4c470).

"(18) Purchase of lands, national parks, donations (4c408).

"(19) Extension of winter-feed facilities of game animals of Yellowstone National Park, donations (4c410).

"(20) Indian moneys, proceeds of labor, agencies, schools, and so forth (5t301).

"(21) Funds of Federal prisoners (1t951).

"(22) Commissary funds, Federal prisons (1t953).

"(23) Pay of the Navy, deposit fund (7t980).

"(24) Pay of Marine Corps, deposit fund (7t981).

"(25) Pay of the Army, deposit fund (8t183).

"(26) Preservation birthplace of Abraham Lincoln (4c395).

"(27) Funds contributed for flood control, Mississippi River, its outlets and tributaries (8c961.86).

"(28) Funds contributed for flood control, Sacramento River, Calif. (8c946.54).

"(29) Effects of deceased employees, Treasury Department (2t089).

"(30) Money and effects of deceased patients, Public Health Service (2t607).

"(31) Effects of deceased employees, Department of Commerce (6t054).

"(32) Topographic survey of the United States, contributions (6c303).

"(33) National Institute of Health, gift fund (2c616).

"(34) National Institute of Health, conditional gift fund (2c617).

"(35) Patients' deposits, United States Marine Hospital, Carville, La. (2t623).

"(36) Estates of deceased personnel, War Department (8t180).

"(37) Effects of deceased employees, Department of the Interior (4t029).

"(38) Fredericksburg and Spotsylvania County Battlefields memorial fund (8c813).

"(39) Petersburg National Military Park fund (8c814).

"(40) Gorgas Memorial Laboratory quotas (1c304).

"(41) Contributions to International Boundary Commission, United States and Mexico (1c398).

"(42) Salvage proceeds, American vessels (1t581).

"(43) Wages due American seamen (1t630).

"(44) Federal Industrial Institution for Women, contributions for chapel (1c948).

"(45) General post fund, National Homes, Veterans' Administration (Ot930).

"(46) Repatriation of American seamen (1s555).

"(47) Expenses, public survey work, general (4s172).

"(48) Expenses, public survey work, Alaska (4s173).

"(49) Funds contributed for improvement of roads, bridges, and trails, Alaska (4c528).

"(50) Protective works and measures, Lake of the Woods and Rainy River, Minn. (8s863).

"(51) Washington redemption fund (DCt622).

"(52) Permit fund, District of Columbia (DCt615).

"(53) Unclaimed condemnation awards, National Capital Park and Planning Commission, District of Columbia (DCt629).

"(54) Unclaimed condemnation awards, Rock Creek and Potomac Parkway Commission, District of Columbia (DCt620).

"(55) Miscellaneous trust-fund deposits, District of Columbia (DCt613).

"(56) Surplus fund, District of Columbia (DCt621).

"(57) Relief and rehabilitation, District of Columbia Workmen's Compensation Act (DCt604).

"(58) Inmates' fund, workhouse and reformatory, District of Columbia (DCt605).

"(59) Soldiers' Home, permanent fund (8t184).

"(60) Chamber Music Auditorium, Library of Congress (Os259).

"(61) Bequest of Gertrude Hubbard (Ot256).

"(62) Puerto Rico special fund (Internal Revenue).

"(63) Miscellaneous trust funds, Department of State.

"(64) Funds contributed for improvement of (name of river or harbor).

"(65) Funds advanced for improvement of (name of river or harbor).

"(66) Funds contributed for Indian projects.

"(67) Miscellaneous trust funds of Indian tribes.

"(68) Ship's stores profits, Navy (7s985).

"(69) Completing surveys within railroad land grants (4t186).

"(70) Memorial to women of World War, contributions (0c075).

"(71) Funds contributed for memorial to John Ericsson (0s163).

"(72) American National Red Cross Building, contributions (0c426).

"(73) Estates of decedents, Department of State, trust fund (1t580).

"(74) Funds due incompetent beneficiaries, Veterans' Administration (0t852).

"(75) To promote the education of the blind (principal) (2t092).

"(76) Paving Government road across Fort Sill Military Reservation, Okla. (8c664).

"(77) Bequest of William F. Edgar, museum and library, office of Surgeon General of the Army (8c504).

"(78) Funds contributed for flood control (name of river, harbor, or project).

"(79) Matured obligations of the District of Columbia (2t070).

"(80) Naval hospital fund (7s815).

"(81) Navy fines and forfeitures (7s984).

"(82) To promote the education of the blind (interest) (2x093).

"(83) Soldiers' Home, interest account (8x185).

"(c) (1) United States Government life-insurance fund, Veterans' Administration (0t875).

"(2) Estates of deceased soldiers, United States Army (8t189).

"(3) Teachers' retirement fund deductions, District of Columbia (DCt624).

"(4) Teachers' retirement fund, Government reserves, District of Columbia (DCt627).

"(5) Expenses of Smithsonian Institution, trust fund (principal) (0t596).

"(6) Civil-service retirement and disability fund (0t843).

"(7) Canal Zone retirement and disability fund (0t850).

"(8) Foreign Service retirement and disability fund (1t560)."

And the Senate agree to the same.

Amendment numbered 202: That the House recede from its disagreement to the amendment of the Senate numbered 202, and agreed to the same with an amendment, as follows: Restore the matter stricken out by the Senate, amended to read as follows:

"SEC. 21. Hereafter all checks drawn on the Treasurer of the United States, except those issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws, shall be payable only until the close of the fiscal year next following the fiscal year in which such checks were issued, and the amounts of all such checks properly due and payable which have not been presented for payment within such period shall be deposited into the Treasury to the credit of a trust fund account entitled 'Outstanding Liabilities (fiscal year)', designated by fiscal years in which the checks were issued. The balances in the outstanding liabilities account now carried on the books of the Government, representing the amounts of unclaimed checks, shall be transferred to the account 'Outstanding Liabilities, 1934', and any balances remaining therein, or in any succeeding fiscal year account, unclaimed for 2 fiscal years after the deposit therein shall be covered into the surplus fund of the Treasury: *Provided*, That the balances to the credit of the outstanding liabilities account of any fiscal year which has not been covered into the surplus fund of the Treasury shall be available to pay claims on account of any check, the amount of which has been included in any balance so covered into the surplus fund."

And the Senate agree to the same.

Amendment numbered 203: That the House recede from its disagreement to the amendment of the Senate numbered 203, and agree to the same with an amendment as follows: Renumber the section to read "22"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: Renumber the section to read "23"; and the Senate agree to the same.

Amendment numbered 206: That the House recede from its disagreement to the amendment of the Senate numbered

206, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 24. The Comptroller General of the United States shall cause a survey to be made of all inactive and permanent appropriations and/or funds on the books of the Government, and also funds in the official custody of officers and employees of the United States, in which the Government is financially concerned, for which no accounting is rendered to the General Accounting Office; and he shall submit to the Congress annually, in a special report, his recomendations for such changes in existing law relating thereto as, in his judgment, may be in the public interest."

And the Senate agree to the same.

Amendment numbered 207: That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with an amendment as follows: Renumber the section to read "25"; and the Senate agree to the same.

Amendment numbered 208: That the House recede from its disagreement to the amendment of the Senate numbered 208, and agree to the same with an amendment as follows: Renumber the section to read "26"; and the Senate agree to the same.

Amendment numbered 210: That the House recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with an amendment as follows: Renumber the section to read "27"; and the Senate agree to the same.

ANTHONY J. GRIFFIN,
THOS. S. MCMILLAN,
GLOVER H. CARY,
E. W. GOSS,
R. B. WIGGLESWORTH,
Managers on the part of the House.

CARL HAYDEN,
JOHN H. OVERTON,
FREDERICK STEIWER,
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. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendments, namely:

On amendments 1 to 38, inclusive: An amended section has been inserted in the bill with clarifying language and including the authorization for appropriations for meat inspection. Items for the Library of Congress and the Smithsonian Institution have been stricken from the amended section. The permanent appropriations for the American Printing House for the Blind and the interest account, Soldiers' Home, have been transferred to section 20 and classified as trust funds. The items for refund of excessive duties in the Customs Service and recoinage of silver coins, stricken out by the Senate, have been reinserted in the amended section. The Senate provision requiring the payment of certain refunds from the appropriation account entitled "Refunding taxes illegally collected" has been deleted.

On amendments 39 to 78, inclusive: An amended section has been inserted in the bill in place of the section which embraced all of these amendments. As agreed to by the conferees, the items for various payments to States which had been stricken out by the Senate are not included in the amended paragraph. The Senate amendments deleting certain payments to be made to Alaska and the Yuma auxiliary irrigation project and transferring these accounts to the trust-fund group in section 20 have been disagreed to and the amended section includes these accounts in this section as passed by the House. The effective date of the operation of the section as regards the migratory bird conservation fund is made as of July 1, 1936, instead of July 1, 1938, as provided by the Senate amendment. The Senate has receded from its action in striking out the National Guard account.

On amendments 79, 80, and 81: The House agrees to the action of the Senate in striking out the House provision abolishing the Alaska Railroad, special fund.

On amendment 82: Assigns a numerical designation to an account.

On amendment 83: Adopts the House language abolishing the recreation fund, Army, but adds a proviso authorizing an appropriation for welfare of enlisted personnel of the Army in the event of war, in an amount equal to the balance in the account covered into the Treasury as a result of its abolition.

On amendments 84 and 85: The House agrees to the action of the Senate in striking out the Naval Hospital fund and the naval fines and forfeitures fund, and transferring them to the trust-fund group of accounts in section 20.

On amendment 86: Changes a section number.

On amendment 87: Inserts an amended subsection (a) of section 10, the effect of which is to preserve the War Department replacement accounts intact, but to permit credits to be made to the accounts in only such amounts as represent sales of material, stores, etc., at actual cost.

On amendment 88: Corrects a section number.

On amendment 89: The House agrees to the action of the Senate in deleting the provision requiring that assessments levied on national banks to cover salaries and expenses of national-bank examiners, contingent expenses of the national currency, and the salaries of Deputy Comptrollers of the Currency, should be covered into the Treasury and annual appropriations made to meet the above-described salaries and expenses.

On amendments 90, 91, and 92: Correct section numbers.

On amendment 93: The House agrees to the action of the Senate in placing the Policemen and Firemen's Relief Fund under section 14, thus requiring annual definite appropriations rather than permitting it to remain under section 20 as provided by the House.

On amendments 94 and 95: Correct section numbers.

On amendments 96 and 97: In lieu of the changes made by the Senate in this section the conferees have recommended the insertion of a new section substantially the same in effect as contemplated by the Senate amendments but requiring that the unclaimed moneys be segregated in a trust fund from which annual appropriations will be made rather than having them deposited into the surplus fund of the Treasury with annual appropriations made from the general fund of the Treasury.

On amendments 98 and 99: The House recedes from its disagreement to these Senate amendments which look to placing two additional accounts under the unclaimed-moneys provision of section 17 dealing with this type of funds.

On amendment 100: Corrects section number.

On amendment 101: Makes a change respecting the effective date of the provision establishing the account for refund of moneys erroneously received and covered.

On amendments 102, 103, and 104: Inserts a section rewritten by the conferees which neither adds to nor detracts from the action of the House on this section, but serves to clarify the intent of the language. The Senate has receded from its action in striking out the word "donations", thus requiring that all donations administered by officers of the United States by virtue of their official capacity shall be deposited in the Treasury.

On amendments 105 to 201: Inserts a new amended section in lieu of the section as amended by the Senate. The effect of the amendments agreed to by the conferees is to require unclaimed moneys in trust funds to be deposited into and disbursed from a special trust-fund account authorized to be established in section 17 of the act. Certain trust-fund accounts, including retirement and insurance funds, are exempted from the operations of this provision. These exceptions will be found classified in subsection (c) under this section 20.

On amendment 202: Restores the House language pertaining to the bookkeeping methods to be employed in handling outstanding checks of the Government with an amendment exempting checks issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws from the operations of the provision.

On amendment 203: Corrects a section number.

On amendment 204: Adopts the Senate amendment striking out the House provision requiring certain collections from erroneous payments and overpayments made by disbursing officers and recoveries from liquidated damages, to be deposited into the Treasury as miscellaneous receipts.

On amendment 205: Corrects a section number.

On amendment 206: Restores the House provision requiring the Comptroller General to make a survey of certain appropriations and funds in custody of Government officers, amended to the extent of limiting the survey to funds in which the Government is financially concerned.

On amendments 207 and 208: Correct section numbers.

On amendment 209: Strikes out a Senate amendment authorizing the President to submit alternate budgets to Congress.

On amendment 210: Corrects a section number.

ANTHONY J. GRIFFIN,
THOS. S. MCMILLAN,
GLOVER H. CARY,
E. W. GOSS,
R. B. WIGGLESWORTH,
Managers on the part of the House.

Mr. GRIFFIN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

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.

REPRESENTATIVE FRANK OLIVER

Mr. JONES. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. JONES. Mr. Speaker, I do this for the purpose of saying a word of tribute to our colleague, FRANK OLIVER, who handled the farmers' bill so skillfully a few moments ago, and who leaves the House next Monday to go on the bench. Every one in the House who knows Mr. OLIVER loves him; and when one knows him, he cannot speak of him except in terms of praise. He is one of the finest characters I have ever known, and one of the most generous. His generosity was evidenced a moment ago when he had control of the time. Many gentlemen wished to speak. He finally yielded all his own time and used none himself. That is typical of the man. He will be an ornament to the bench, and will grace any position to which he may be assigned. He will make a just and capable judge as he has made a fine record as Congressman. I am sure every Member of the House regrets that he finds it necessary to leave and wishes him much success as well as joy in his new field of usefulness. [Applause.]

WIDOWS OF VETERANS WHO DIED WHILE RECEIVING MONETARY BENEFITS

Mr. RANKIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9936) to compensate widows and children of persons who died while receiving monetary benefits for disability directly incurred in or aggravated by active military or naval service in the World War, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the surviving widow, child, or children of any deceased person who served in the World War before November 12, 1918, or if the person was serving with the United States military forces in Russia before April 2, 1920, who, while receiving or entitled to receive compensation, pension, or retirement pay for 30-percent disability or more directly incurred in or aggravated by service in the World War, dies or has died from a disease or disability not service connected and not the result of the person's own misconduct shall, upon filing application and such proofs in the Veterans' Administration as the Administrator of Veterans' Affairs may prescribe, be entitled to receive compensation: *Provided*, That the provisions of this act shall not apply to any person during any year following a year for which such person was not entitled to exemption from the payment of a Federal income tax.

SEC. 2. That the monthly rates of compensation shall be as follows: Widow but no child, $22; widow and one child, $30 (with $4 for each additional child); no widow but one child, $15; no widow but two children, $22 (equally divided); no widow but three children, $30 (equally divided); (with $3 for each additional child, total amount to be equally divided).

The total compensation payable under this paragraph shall not exceed $56. Where such benefits would otherwise exceed $56 the amount of $56 may be apportioned as the Administrator of Veterans' Affairs may prescribe.

SEC. 3. That as used in this act—

(a) The term "person who served" shall mean a person, whether male or female, and whether commissioned, enlisted, enrolled, or drafted, who was finally accepted for active service in the military or naval forces of the United States, members of training camps authorized by law, and such other persons heretofore recognized by statute as having a pensionable status:

(b) The term "widow" shall mean a person who was married to the veteran prior to July 3, 1931, and who has not remarried;

(c) The term "child" shall mean a person unmarried and under the age of 18 years, unless prior to reaching the age of 18 the child becomes or has become permanently incapable of self-support by reason of mental or physical defect, who is a legitimate child, a child legally adopted, a stepchild if a member of the man's household, an illegitimate child, but, as to the father only, if acknowledged in writing signed by him or if he has been judicially ordered or decreed to contribute to such child's support, or has been judicially decreed to be the putative father of such child: *Provided*, That the payment of compensation shall be continued after the age of 18 years and until completion of education or training (but not after such child reaches the age of 21 years), to any child who is or may hereafter be pursuing a course of instruction at a school, college, academy, seminary, technical institute, or university, particularly designated by him and approved by the Administrator, which shall have agreed to report to the Administrator the termination of attendance of such child, and if any such institution of learning fails to make such report promptly the approval shall be withdrawn.

SEC. 4. That the Administrator of Veterans' Affairs is authorized and directed to receive evidence and adjudicate claim for compensation under this act when it is claimed that the veteran was 30 percent or more disabled immediately prior to his death from disease or injury established to the satisfaction of the Veterans' Administration prior to date of death to have been directly incurred in or aggravated by service in the World War, although a determination of 30-percent disability or more had not been made by the Veterans' Administration prior to the veteran's death: *Provided*, That for the purpose of awarding compensation under the provisions of this act, direct service connection of disability and degree thereof at date of death may be determined in any case where claim has been or is filed by the widow, child, or children of a deceased World War veteran, except that proof of 30-percent disability or more at date of death must be filed no later than 3 years after date of enactment of this act or the date of death, whichever is the later, and evidence required in connection with any claim must be submitted in accordance with regulations prescribed by the President and/or the Administrator of Veterans' Affairs.

SEC. 5. That payment shall be effective from the date of enactment of this act in all cases where death occurred prior to the date of enactment of this act and in all other cases payment shall be made from the date the application of the widow, child, or children in the form prescribed by the Administrator of Veterans' Affairs is filed in the Veterans' Administration: *Provided*, That a claim for pension or compensation under Public Law No. 2, Seventy-third Congress, and the Veterans' Regulations, or Public Law No. 141, Seventy-third Congress, on account of death of a veteran from directly service-connected disability shall be accepted as a claim for benefits under this act.

The SPEAKER. Is a second demanded?

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

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SWICK. I am not opposed to it all the way through.

The SPEAKER. Is any member of the committee opposed to the bill?

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Have these bills that are now coming in been acted upon by the Veterans' Committee before they are reported to the House?

The SPEAKER. The gentleman from Mississippi [Mr. RANKIN] can answer that probably.

Mr. RANKIN. I will explain this whole proposition in a very few minutes.

Mr. RICH. Mr. Speaker, I should like to know if the Veterans' Committee has reported these bills to the House?

The SPEAKER. The gentleman can propound that question to the gentleman from Mississippi.

Without objection, a second will be considered as ordered. There was no objection.

Mr. RANKIN. Mr. Speaker, this is a bill to compensate widows and orphans of World War veterans who at the time of their death were suffering from service-connected disabilities, but who died from other causes.

I have been working on this measure for many years, trying to take care of the widows and orphans of those men who suffered disabilities during their service in the World War. We started hearings on this bill this morning, after we had reached an agreement with the Administration, but owing to the fact that the Veterans' Committee was to meet at the same time the House was to meet we polled the committee, and with the exception of one gentleman, who was absent and could not be found, the members of the committee were unanimous on both sides of the House in favor of this bill.

I will take but a moment to explain it. There are veterans of the World War who had their eyes shot out on the western front, but who died of some other cause, whose widows and orphans have not been able to draw one penny of compensation to this date. There are men whose arms were shot off; there are men whose legs were shot off; there are men who were maimed and disfigured for life, but, because they died of some other disabilities, their widows and orphans have been denied any compensation whatever. This measure should have been passed 16 years ago.

Now, you will want to know something about the cost. To start with there will be 13,900 cases. They will cost $4,114,000 a year. That will increase slightly as the years go by, but the expense will not increase, because the veteran now draws more compensation than his widow and orphans will get under this bill. This is a sane bill. It is reduced to the irreducible minimum, and I sincerely trust there will not be a single vote against it in the House. [Applause.]

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. TAYLOR of Tennessee. I wish to say that I am very much in favor of the bill. I think it is a highly meritorious bill, but I do not think it goes quite far enough. Why could it not be made to include all widows?

Mr. RANKIN. The widows and orphans of other wars are already taken care of. They are generously taken care of compared to these widows and orphans of the World War veterans. The bill I got passed through the House in the last Congress did go further, but we found we could not get approval of that measure, so I have gone just as far as I could to get what I could for these deserving widows and orphans.

Mr. TAYLOR of Tennessee. While I should have liked to see all the widows and minor orphans included, I think the gentleman has done a good job of it under the circumstances, and I congratulate him on the good work he has done.

Mr. MILLARD. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MILLARD. Does the President approve of this bill?

Mr. RANKIN. I understand this bill will be approved. It has been submitted to the Director of the Budget.

Mr. MILLARD. The gentleman is sure the President approves of it?

Mr. RANKIN. I feel sure that it will be approved.

Mr. Speaker, I reserve the balance of my time.

Mr. SWICK. Mr. Speaker, I yield 2 minutes to the gentleman from California, Mr. Hoeppel.

Mr. HOEPPEL. Mr. Speaker, I wish to add my approval of this bill. This measure is one in which I have been vitally interested for a long, long time. I am not going to discuss it. The chairman of our committee has discussed it quite clearly, I believe. I hope the entire Membership will vote for this bill in order that the widows of World War veterans who, at the time of death, had service-connected disabilities, may at least obtain equality with the widows of Spanish-American War veterans. [Applause.]

We should not adjourn until we enact into law H.R. 9705, which restores to the pension rolls Spanish War veterans who served outside of the continental limits of the United States during the period of the Spanish-American War and the Philippine insurrection. Today pensions are paid only to those who actually served in China or in the Philippine Islands. It is understood that the President endorses this pending legislation, and for that reason we should not adjourn until we erase this discrimination from our statute books. While very few men are involved, the principle is important and we can ill afford to preclude these worthy veterans in their declining years from receiving equal benefits with those who served with them during these periods.

Members of Congress who acted hastily in enacting the economy bill are to be congratulated, as is the President, on the various remedial acts and regulations which have for their objective the removal of discriminations and the granting of pensions to veterans and their dependents where the question of justice is clearly involved. I am convinced, from my experience and observation, that many of the Democratic and Republican Representatives who supported the Economy Act should not be severely criticized for their action inasmuch as they did not thoroughly understand this measure at the time it was placed before them under the stress of emergency, with the banks closed and conditions generally chaotic.

There is no doubt in my mind that many on the Democratic side, including our distinguished floor leader, felt a genuine pang of sympathy for the veterans while they were enacting the Economy Act, torn as they were between the question of loyalty to our Executive and the best interests of the veterans.

The session of Congress which we are now concluding through legislation, and the President through regulations, has now eliminated many of the injustices contained in the original Economy Act; and for that reason I do not feel that any of my colleagues, on either the Republican or Democratic side, should be unduly censured for their votes on the veteran question which, I am inclined to believe, many of them cast in good faith.

There were, however, some Members of the House who, despite opposition and pressure from every angle, continued to stand fast in the interests of the veteran. I have made a close check of the essential votes which were cast where the interests of the veterans and their dependents and the Federal employees were involved, and I am pleased, therefore, to insert in the RECORD from my own analysis the names and records of the Members of the House who never swerved in their uncompromising loyalty to these deserving groups:

Official record of votes of outstanding friends of the veterans, House of Representatives, Seventy-third Congress

	Party	Mar. 16, 1933	June 15, 1933	Jan. 11, 1934	Mar. 14, 1934	Mar. 16, 1934	Mar. 27, 1934	Per cent
Arens	Farmer-Labor	FV	FV	FV	FV	FV	FV	100
Black	Democrat	FV	FV	FV	FV	FV	FV	100
Connery	do	FV	FV	FV	FV	FV	FV	100
Dunn	do	FV	FV	FV	FV	FV	FV	100
Focht	Republican	FV	FV	FV	FV	FV	FV	100
Hoeppel	Democrat	FV	FV	FV	FV	FV	FV	100
Johnson (Minn.)	Farmer-Labor	FV	FV	FV	FV	FV	FV	100
Lemke	Republican	FV	FV	FV	FV	FV	FV	100
Lundeen	Farmer-Labor	FF	FV	FV	FV	FV	FV	100
Murdock	Democrat	FV	FV	FV	FV	FV	FV	100
Scrugham	do	FV	FV	FV	FV	FV	FV	100

The vote March 16, 1933, which all of the above-listed Members supported, and also the votes on March 14 and 16, 1934, which were likewise supported by the above, were crucial veteran issues which Congressman CONNERY, the outstanding veteran friend in the House, explained to the House Membership before the vote was taken.

NOTE.—FV=For veterans.

There is no doubt that in the Congress there are many other Members who are equally sympathetic with the veterans as is the group named. Nevertheless, for some reason or another, their votes were not recorded at all or were not recorded in favor of the veterans in the crucial roll calls which I have indicated.

The action of the House on the veteran question can, in no way, be explained from a partisan standpoint, inasmuch as party lines were continually broken in the debates and in the voting which is, indeed, a testimonial to the balanced thought of the House Membership on questions pertaining to minority groups.

I would not feel justified in concluding my remarks if I failed to include my commendation for that outstanding, fighting friend of the veterans, the Federal employees, and organized labor, WILLIAM P. CONNERY, of Massachusetts, whose leadership in behalf of these distinctive groups is one of the gratifying memories I will always have of the Seventy-third Congress.

The veterans of America can look hopefully forward to the ultimate removal of the existing discriminations. That these discriminations can be best erased through a nonpartisan approach is a suggestion which I respectfully tender to them in the closing days of this session.

Mr. SWICK. Mr. Speaker, I intend to use but a few minutes of my time, because I know the House is anxious to proceed with other legislation. I have been a member of the Committee on World War Veterans' Legislation since coming to Congress, and have always favored legislation for the widows and orphans of deceased World War veterans, and sponsored a measure similar to this one in a previous Congress. My only criticism of this bill is that it does not go far enough.

I cannot refrain from commenting on the manner in which this legislation has been presented to the House. To my knowledge, there has never been a hearing on the bill, neither has the committee met to discuss it. The committee has met three times in the present Congress, and all of those meetings were held within the past 10 days. A meeting was called for this morning by the chairman but was called off. I presume it was intended for the discussion of this bill.

It seems to me that legislation of this character should have received the careful consideration of the committee members, and an opportunity should have been given veterans' organizations and others interested in the welfare of widows and orphans of veterans to appear in behalf of the legislation. Certainly the committee has had ample time during the past 2 years to have prepared a bill that would have covered this question in all of its phases.

Since the chairman of the committee has decided at the last minute to place some legislation in the RECORD which will justify the existence of his committee, I am happy indeed that he selected a bill of this character to represent the sum total of the work done during the Seventy-third Congress. In view of the fact that this is the only opportunity the Members of this Congress will have to vote on veterans' legislation of this kind, I hope this bill will pass overwhelmingly. This legislation, if enacted, will bring needed and deserving relief to many widows and orphans of deceased veterans who have been denied compensation because of the failure of physicians to note contributing factors in the deaths of veterans, thereby preventing service connection, even though such factors did exist and dated from the veteran's service.

It seems to me that in this legislation some of these things can be overcome. Many times men die from disabilities or from diseases which at first blush would not be thought to be service connected, but nearly every one of these cases, when investigated to their source, will be found to be service connected and should really be considered as service connected. We have the cases of men who had amputations, amputations of fingers, amputations of hands, arms, or legs. Some years after that, prematurely, these men die from cerebral hemorrhage, or from a so-called "stroke." Very frequently the cause of death is not what the doctor thought. The death was probably due to an embolism that was caused by the loosening of a small clot near where the amputation took place, which clot lodged in the heart and caused death in just the same way that cerebral hemorrhage would cause death, but probably quicker. Yet it is hard to say that this case is not a cerebral hemorrhage, whereas in truth and in fact it was directly service connected because of the fact the man had this amputation some years before.

So I am very much in favor of this legislation. My only regret is that it does not go somewhat further in taking care of those whose service-connected disabilities were not as much as 30 percent.

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

Mr. SWICK. I yield.

Mr. THOM. For purpose of illustration, take the case where death results partly from a service-connected disability and partly from some other disease; what would be the verdict of the Veterans' Bureau?

Mr. SWICK. I have found that it is most difficult to prove service connection when the death certificate points out that it was something else. Time after time we have had this same experience. For instance, a man had influenza during the war, was hospitalized for influenza, but some years later died of pneumonia, and the death certificate is filled out, saying that he died from pneumonia. In such a case we have a most difficult time to prove that the cause of the death was service connected, yet that old attack of influenza had its influence all down through the years, probably 8 or 10, and was responsible for this case of pneumonia years later. I have a case just like that at the present time, and it is most difficult to prove service connection in these cases.

Because there are so many cases that are actually service connected in which the service connection cannot be proved this law will be a good one, and I am very glad this bill has been brought in. The only regret I have is that we have not had a chance to have hearings on this legislation.

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

Mr. SWICK. I yield.

Mr. CONNERY. We had plenty of hearings, however, on the original Rankin bill, and the facts were pretty well developed.

Mr. SWICK. Yes; that is true.

Mr. RANKIN. And, if the gentleman will permit, we also had hearings on the bill introduced by the gentleman from Pennsylvania himself a year or two ago.

Mr. SWICK. I remember.

Mr. RANKIN. So we have pretty nearly all the facts, I may say to the gentleman from Pennsylvania.

Mr. SWICK. That bill, however, was not of this particular kind.

Mr. RANKIN. No; it went further than this bill goes.

Mr. SWICK. It went further than this bill. That is about the only difference.

Mr. Speaker, I yield back the balance of my time.

Mr. RANKIN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

PENSION BILL FOR WORLD WAR WIDOWS

Mr. PATMAN. Mr. Speaker, the gentleman from Mississippi, the Chairman of the Committee on World War Veterans' Legislation, has been working all during this session of Congress for the passage of this legislation but has not been saying anything about it. I happen to know, however, that he has been trying to get a bill that would be approved by the administration, the House of Representatives, and the Senate. It was only yesterday afternoon that he was successful in getting an agreement from all parties concerned; and I want to commend the gentleman for his efforts in helping the widows and orphans of the veterans of the World War. [Applause.]

As stated by the gentleman from Mississippi [Mr. RANKIN], a veteran who had lost his eyes on the battlefields of France, suffering from a 100 percent permanent total disability, drawing the limit so far as compensation was concerned, if he lost his life in an automobile accident or if he died from tuberculosis or some other disease, although his widow had taken care of him all these years, she would not get a penny in the world in the form of pension or

compensation; neither would the children. If it happens that the veteran dies from some other disease, or from an injury, which disease or injury is not service connected, his widow and children do not draw one penny. This bill is intended to correct that situation.

The widows and orphans of such men will not get as much under this bill as the widows and orphans of regular service-connected cases. A widow, under this bill, will get $22, with $6 for the first child and $4 for each additional child; whereas, if it were a regular service-connected case she would get $30 with $10 for the first child and $6 for each additional child. I feel, however, that this bill is more liberal and generous than it is believed to be.

Not only does this bill permit widows of veterans who were drawing 30-percent disability pay before their death, to receive pensions or compensation, but it permits the widow to apply for this pension and state that although her husband did not have a rating of 30 percent permanent disability, he was in effect really 30 percent permanent and totally disabled, and if she submits the proof she and her children are given the right to receive the benefits provided by this law.

Not only can they do it for cases in the past, but they have 3 years from now or from the time the law is enacted in order to present their application to show 30 percent disability. May I again commend the chairman of the committee, Mr. RANKIN, for the great work he has done in protecting these poor widows and orphans. He has worked noiselessly and without publicity of any sort, but he has gotten results and we are proud of him for what he has done.

Mr. DONDERO. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman inform the House how much money this will entail upon the part of the Government of the United States?

Mr. PATMAN. The gentleman from Mississippi [Mr. RANKIN] answered that question. He said $4,100,000, and it will assist 13,000 widows and children.

Mr. RANKIN. Four million one hundred and ten thousand dollars.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, may I add my praise to the distinguished Chairman of the Veterans' Committee [Mr. RANKIN] for the fine work he has done in getting this legislation before the House and before Congress at this time.

I had a lady come into my office last summer, and I believe her case in particular would describe the need of even further legislation along this line. This lady had two sons who had gone to France. They had both been through all the big battles with their regiments. One of them was shot at the base of his spine, and the other was shot in the head. They came back and were receiving compensation for their battle casualties. They died of some other disease later. She said, apparently from what the doctors told her, that each had died as a result of the wounds which they received in battle. This had caused a break-down and the opening up of the system to another disease, but still, the doctor said, death came as a direct result of being shot in the head in the case of one of the sons, and being shot in the spine in the case of the other son. Yet, because they had not died directly from their wounds, as demanded in the present law, that lady, a widow, who had given her only two boys to the United States, the boys being between the ages of 25 and 30 when they died, was left alone in the world, and she could not get a nickel from the United States Government.

While the bill presented by the distinguished gentleman from Mississippi, the chairman of the committee, does not take care of that kind of a situation, I hope this bill will lead the way to the passage of legislation not only to care for widows and orphans but also dependent parents such as the case I have mentioned.

Mr. GRISWOLD. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Indiana.

Mr. GRISWOLD. Is the gentleman aware of the fact that under the present law and regulations, even though a man has a complication of diseases and is suffering from his original service-connected disability on the date of his death, if the death certificate does not show the disease which is service connected, he cannot collect?

Mr. CONNERY. That is correct. If he had tuberculosis and was service connected on tuberculosis and yet it was complicated with pneumonia, causing his death, and if pneumonia were on the death certificate, his widow could not get a penny.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New York.

Mr. O'CONNOR. As I understand it, this bill only applies to widows and children, not mothers?

Mr. CONNERY. It applies to widows and orphans.

Mr. O'CONNOR. The mothers would not be protected?

Mr. CONNERY. That is true. The original bill which the gentleman from Mississippi introduced would have taken care of the dependent mothers and fathers. This bill does not. I wish it did take care of the mothers and fathers; but this is something, anyway. We had it in the original bill and could not get it by. I hope this bill will pass the House unanimously.

Mr. RANKIN. May I say to the gentleman from New York that I tried also to get this extended to take care of dependent parents, and I hope to do that at the next session.

Mr. O'CONNOR. I remember the valiant fight that the gentleman from Mississippi made before the Rules Committee.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Kansas [Mrs. MCCARTHY].

Mrs. MCCARTHY. Mr. Speaker, as a member of the Committee on World War Veterans' Legislation, may I add my word of approval to this splendid measure. We have found in dealing with veterans in any number of cases that it is very hard to establish the proof of a service-connected injury or a service-connected death. In other words, the direct cause of death, as has been stated here, may be pneumonia; it may be tuberculosis, it may be something else; but in many cases you will find, if you trace back, that the veteran's death was caused indirectly by his service and some disability he incurred in connection therewith.

Many times we have gone down to defeat after months of effort to get compensation for our worthy veterans just because they did not have a doctor's record within the period of a year. Perhaps the doctor had died, perhaps the records were destroyed, and on account of that technicality you could not get compensation for deserving men. The husbands and fathers of these widows and children are not here to speak for themselves. If they were, in some cases they could help to establish that the direct cause of death would lead back to a service-connected disability.

Since they are not here, we should have even more tender solicitude for this particular type of case, and I am glad that at last the widows and orphans of these World War veterans who were receiving disability benefits are getting the same consideration as the families of the veterans who are living and who have been able to establish their service-connected disability. [Applause.]

[Here the gavel fell.]

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

Mr. RANKIN. I yield to the gentleman from Arkansas.

Mr. FULLER. Does this apply where the veteran is dead now?

Mr. RANKIN. Yes.

Mr. Speaker, I yield a half minute to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Speaker, no doubt in every congressional district there are widows and orphans of ex-service men. If this bill is going to provide a little money with which she may be able to provide herself and children with the necessities of life every Member of the House should support this bill.

Mr. RANKIN. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. CARPENTER].

Mr. CARPENTER of Kansas. Mr. Speaker, in the status of civilization that we are living in now and in the standards of living and the path of social legislation that we are on, this is one of the steps along the right direction.

In our legislation during this session we have been looking forward to taking care of the needy. That is what this Government is doing. In this connection we should first look after those who have some service connection with the Government, and this class would include the veterans who fought for the Government and for its maintenance, and after they have answered the last call we should look after their widows and orphans.

I am pleased, as a member of the World War Veterans' Committee and a Member of the Congress, that I am going to be able to take home with me some relief for these people.

As has been stated, in every congressional district we have cases of this kind. They are on our doorstep and, therefore, on behalf of these widows and children who are looking to us for relief, I wish to express my appreciation, along with the other members of the committee, of the hard work and the good work that our chairman has done with respect to this bill. It would not have done any good to have brought up a bill here and for all of us to have made a lot of speeches in favor of the veterans unless we were going to get the bill through. This is exactly what the chairman of our committee has stated time after time—that he wanted to get through a bill that would amount to something.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, when I requested time to address the House on the subject of the passage of this bill, I did not realize that the sentiment in its favor was as strong as it apparently is. I shall therefore take very little of the House's time on this, the final day of the session in commenting on the pending legislation.

The pending bill introduced by my colleague Mr. RANKIN, Chairman of the World War Veterans' Committee, is in my opinion a tardy recognition of justice to the widows and orphans of our World War veterans who themselves were entitled to receive compensation during their lifetime. I sincerely regret that the bill does not go further in its scope. As it is now drawn it provides for a pension or compensation to the widows and orphans of those veterans of the World War who, while living, received or were entitled to compensation, pension, or retirement pay for 30 percent disability as a result of the veteran's service in the late World War; where the veteran in addition to receiving the compensation has died from some cause attributable to other cause than the disability for which he was entitled to draw the compensation or pension.

Under the provisions of this bill such a widow with no children will receive $22. A widow with one child will receive $30 with a provision for $4 for each additional child, Each orphan child of the veteran will receive $15 where the widowed mother is dead, except where there are more than one child and provision is made in such instances for two children to receive $22 and three children to receive $30 with $3 for each additional child, the total amount to be equally divided. Of course these rates or compensation are computed on a monthly basis.

It is difficult for me to conceive how any Member of the House could oppose this bill. Certainly there is no Member of Congress who does not feel at least in a sense the debt of gratitude that the country owes those who offered their lives in the service of their country in the late World War. Then, if one believes that a veteran with disability traceable to his service is entitled to compensation during his lifetime, he certainly must believe that the widow and children of such veteran are entitled to that compensation upon the veteran's death. While the veteran is living he is to some degree able to assist in caring for his loved ones, his wife and children. Certainly then after he is dead a grateful American people, expressing their will through their Representatives in Congress, must feel the responsibility to carry on for him after he is dead.

Mr. Speaker, I know of several instances where great hardship has been worked upon the children as well as the widow of a deceased veteran who was drawing compensation as a result of a service-connected disability but who died from a cause other than the disability for which he was drawing the compensation. Moreover, I have in mind a case of a veteran in my district who was drawing compensation for tuberculosis. I have recently and am still trying to do something for the orphan children of this veteran. It so happens that although he had tuberculosis and had been treated for this almost continuously the attending physician attributed his death to pneumonia. Not only did these orphan children lose their father but on the same day their mother also died from the same cause. We are now told by the Department of the Veterans' Administration that notwithstanding the fact that the veteran was suffering from tuberculosis and had been drawing compensation for some time that since the attending physician had designated the immediate cause of the veteran's death as pneumonia that the orphan children would not be entitled to compensation. This is indeed a pathetic case, but there are many other similar ones.

In conclusion, Mr. Speaker, may I suggest that there is no possession prized by a veteran more than the love that he has for his dependent wife and children. When, after death, there is nothing more that he can do for them, I am sure that it would be a great comfort for him to know that even though he died from a cause other than that for which he was drawing compensation, a grateful Government would care for his widow and orphaned children. I hope that there will not be a single vote cast against this bill.

Mr. RANKIN. Mr. Speaker, I yield one-half minute to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Speaker, I am heartily in accord with this bill and regret the committee could not have gone far enough to have reported legislation that would give a pension to widows and orphans regardless of the cause of the veteran's death and even though he was not a service-connected disabled veteran.

We have many pathetic cases of this nature in my district. You will recall that we passed legislation of this kind in the House last Congress, but it did not survive in the Senate. I hope our committee will be able to report and the Congress to pass such legislation during the next session. Dependent widows and orphans of all veterans, regardless of the cause of veteran's death, should be provided. I also hope my colleagues will cooperate for the reenactment of the disability allowance act. All disabled veterans who need relief should be provided for.

I am glad that our committee has been able to get even as far as the present bill goes, and I am glad to lend my support and vote for its passage.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, I welcome an opportunity to support this measure. It is the kind of legislation I have been in favor of and wanted an opportunity to vote for ever since taking up my work here in the House.

In handling veterans' cases from my district I have come across some very distressing instances where the dependents of World War veterans were cut off without any hope of assistance from the Government. This bill, in a measure, will take care of this situation, and I welcome an opportunity to vote for it.

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. RUFFIN].

Mr. RUFFIN. Mr. Speaker, I have always subscribed to the view that it is primarily the duty of the Government to take care of the men who served their country during time of war and who sustained direct, service-connected disability by reason of such service. I think this principle ought to be extended to the widows and orphans of such

men. I am pleased to lend my support to this bill because I think this principle is sound.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield one-half minute to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Speaker, I am very happy to see this bill come before the House at this time. I am very heartily in accord with it. My only regret is that it does not go further.

I desire to congratulate the Veterans' Committee and its distinguished chairman, the gentleman from Mississippi [Mr. RANKIN] in securing its consideration at this time. I feel that the House leadership should not be overlooked in appreciation in permitting this righteous legislation to be brought before the House Membership for passage.

It has never been the purpose of legislation to bar governmental award for sacrifices in body and health in the cause of country. It so happens that I can call to mind cases where service-connected disabilities were undoubtedly established and the death actually caused by such service injuries. Yet, because the immediate causes of death were not such wounds the dependents of such veterans could receive no recognition from our Government. I know of several cases where the death was caused by the service-connected disability as though it had occurred on the battlefield. One case was tuberculosis of the lungs. The death certificate showed lobar pneumonia. The Government held that the death was caused by lobar pneumonia, even though such latter condition was immediately preceded by profuse hemorrhage from the lungs.

This legislation is estimated to cost $4,500,000 annually. The chairman of the committee says it has been agreed upon by those in authority for this character of legislation. It does not go as far as I would go along this line, but it is a step in the right direction and I am happy to support the measure.

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, 8 years ago the RECORD will show I introduced a bill providing for the pensioning of widows and orphans of World War veterans. I have long advocated this measure.

This bill is being considered by unanimous consent. Amendments are not in order. If an amendment were permitted, I would not confine the bill to the widows and orphans of veterans who were previously drawing compensation or pension, but I would have it so worded as to take care of all widows and orphans of veterans shown to be without an income sufficient to sustain themselves properly.

We all know that this bill will not be reached in the Senate before adjournment. The mere fact that it is called up and Members given an opportunity to express themselves is going to be beneficial to the cause in the next Congress.

The President a few days ago sent us his message on security. The needy widows and orphans can be considered in the class he would help.

I have always contended, when discussing legislation with representatives of service organizations, that they should devote their efforts toward securing recognition for the dependents of the veterans who have passed away.

My vote here today only supports the arguments I have advanced in the past.

Mr. RANKIN. Mr. Speaker, I yield one-fourth of a minute to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, I am glad to be here today to vote for this bill. It is a measure of justice for the widows and dependents of veterans which I have advocated since the beginning of my term in Congress. I wish to congratulate the chairman of the committee upon bringing in the legislation and hope the legislation will receive the unanimous support of the House.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on page 2, line 21, in the spelling of the word "means" the letter "s" be stricken out.

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

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to extend their own remarks on this bill.

The SPEAKER. The Members of the House have that permission.

The question is on the motion of the gentleman from Mississippi to suspend the rules and pass the bill.

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

Mr. CARPENTER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

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

There was no objection.

PRACTICAL LEGISLATION THAT WILL RELIEVE THE DISTRESS OF THE FARMER

Mr. CARPENTER of Nebraska. Mr. Speaker, as it is my privilege to be a member of the special congressional committee in the House handling the drought situation I feel that I should not let this opportunity pass to make a few observations as to the attitude of this administration in regard to this problem and the general farm program to relieve this distress and also to give some of my views along this line of thought.

As a direct result of the activity of this drought committee we have been instrumental in obtaining immediate and adequate relief for the farmers and people generally throughout the drought section. The President's message this morning indicates that an appropriation of $525,000,000 will be made available almost immediately to relieve this distress. This shows that the administration is fully alive to the situation, which, according to the best information, has become the closest we have had to a national catastrophe in the past 50 years. We have been assured that everyone will be taken care of and that the amount necessary to take care of my State of Nebraska until another crop can be planted and raised will be somewhere around $10,000,000.

Of course, everyone will not agree with the methods that will be pursued, nor with the results accomplished, which is quite natural; but at least we cannot be criticized for not taking immediate action and appropriating a sufficient amount of funds, except possibly by some people seeking political office from a strictly partisan viewpoint without regard to facts.

The tentative allotments suggested by the committee and the President are as follows:

First. $125,000,000 for special work program and human relief.

Second. $75,000,000 for livestock purchase in addition to the funds already available under the Jones-Connally Act.

Third. $100,000,000 for shipping, processing, and relief distribution of purchased cattle.

Fourth. $100,000,000 for loans to farmers to finance emergency feed purchases and shipments.

Fifth. $50,000,000 for emergency acquisition of submarginal farms and assistance in relocating destitute farm families.

Sixth. $50,000,000 for work camps to afford employment in the drought area for young men principally from cities and towns.

Seventh. $25,000,000 for purchase of seed for 1935 plantings, and for loans to get seeds into farmers' hands.

After a survey sent by each individual county in Nebraska I have compiled a detailed report of the needs of my State, and have been assured that it will receive every assistance necessary. This drought situation brings to the front a problem that is important not only to the State of Nebraska but to the Nation as a whole—that of the proper development of the proposed irrigation, power, and conservation of water of the various streams running in and through my State. It is absolutely necessary that we take immediate steps to conserve and store this available water when it is not in use in order that this country at some future time will not be faced with a shortage of foodstuffs, which up to

the present time has not seemed possible. Two projects have already been approved, but, due to delays caused by one thing or other, the actual work has not been started. Several other projects of great merit, namely, the Tri-County, North Loup, Middle Loup, Benkleman, and Blue Creek, should all be approved and the work started as soon as possible. This would provide for the preservation of our natural resources and the assurance of an ample supply of water, a work which would build and create something of great value and use to our citizens. I sincerely hope that our present condition will expedite the starting of all these projects.

In order to give the proper relief that the farmer is in need of, the following legislation should be enacted into law. Until some such laws are passed the condition of the farmer will still be very serious.

First. An act to establish a uniform system of bankruptcy throughout the United States, upon petition of at least five farmers within any county:

Any such 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 at its then actual value, and that his homestead and exemptions be set aside and that he be allowed to retain possession of any part or parcel or all the remainder of his property and pay for same under the terms and conditions set forth in this act.

(1) Upon such a request being made in the petition or answer, or at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall be designated and appointed, and their 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 homestead and exemptions, subject to any existing mortgages or liens upon such homestead or upon any such exemptions to an amount equal to the value, as fixed by the appraisal, of such homestead or to the value of such exempt property as is covered by any mortgage or lien, and shall further order that the possession, 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 full value of any such particular property has been paid.

(3) At the time of the order setting aside to the debtor his homestead and exemptions, and giving him possession, under the control of the court, of any part, parcel, or all of the remainder of his property, whether pledged or covered by any prior lien or encumbrance, the debtor shall agree and bind himself that he will pay to the secured creditors, as their interests may appear, and to the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, the value of the property as fixed by the appraisal together with interest at the rate of 1 percent per annum on the following terms: 2½ percent, together with interest on or before 6 months from date of agreement; 2½ percent, together with interest on or before 18 months; 2½ percent, together with interest on or before 24 months, and that thereafter he will pay 5-percent principal, together with interest semiannually for the following year and will pay the balance on or before 6 months after the last semiannual payment has been made to the secured creditors, as their interests may appear, and to the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed.

(4) 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 encumberances 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, on 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) The secured creditors holding prior liens and the trustee of the unsecured creditors holding a general lien hereunder, shall have all the rights of such lienholders under existing law except the extension of time and the reduction of the indebtedness to the amount of the appraised value of the debtor's property and such debtor shall be discharged from all his debts, both private and public, as provided for in this act with the exception of those provided for and agreed to by him in this section.

(7) In case a majority in number and amount of all the secured and unsecured creditors of the debtor file written objections, at the first hearing, 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 homestead and exemptions, shall stay all proceedings for a period of 6 years, during which 6 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 retains 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 interests may appear, under the provisions of this act. At the end of 6 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession, less rentals paid: *Provided*, That upon request of any lienholder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraisal price, less rentals paid, into the court and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he shall be discharged from all his debts, both private and public, as hereinbefore provided.

Second. A resolution introduced in the House of Representatives by myself:

Whereas a great emergency exists over a large area throughout the farm belt of the United States, caused by severe drought; and

Whereas the farmers in this area are exerting every effort and using every available resource to keep their livestock alive, and the Federal Government has, through the Department of Agriculture and the Federal Emergency Relief Administration, been spending sums to alleviate the suffering in this drought-stricken area; and

Whereas the farmers have been and are being foreclosed because of their inability to pay interest on their obligations because of the reduced yields, and if these wholesale foreclosures are allowed to continue they threaten dangerous civil strife and discontent: Therefore be it

Resolved, That there be declared a moratorium on all interest and principal payments falling due on all farm mortgages and all farm indebtedness held by any agency of the Government for a period of 1 year in the area designated as drought area by the Department of Agriculture and the Federal Emergency Relief Administration; be it further

Resolved, That no foreclosures be made on farm property, real or personal, by reason of the operation of this resolution, and that this resolution shall take effect on its passage; and be it further

Resolved, That where any chattel mortgage of livestock, held by any agency of the Government, by reason of any action of the Government or its agencies, necessitates the purchasing or destroying of said livestock the proceeds from the sale of such act shall constitute full and complete settlement with that agency of the Government.

Third. The bill which reads as follows:

This act shall be known by the title "The Farmers' Farm Relief Act.'

SEC. 2. That the Government now perform its solemn promise and duty and place American agriculture on a basis of equality with other industries by providing an adequate system of credit, through which farm indebtedness and farm mortgages now existing may be liquidated and refinanced, through real-estate mortgages on the amortization plan, at 1½-percent interest and 1½-percent principal per annum, and through mortgages on livestock used for breeding or agricultural purposes at 3 percent interest per annum through the use of the machinery of the Federal farm loan system and the Federal Reserve Banking System.

SEC. 3. The Federal Farm Loan Board is hereby authorized and directed to liquidate, refinance, and take up farm mortgages and other farm indebtedness, existing at the date of enactment of this act, by making real-estate loans, secured by first mortgages on farms, to an amount equal to the fair value of such farms and 50 percent of the value of insurable buildings and improvements thereon, through the use of the machinery of the Federal land banks and national farm-loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this act with expedition. In case such farm mortgages and other farm indebtedness to be liquidated and refinanced exceeds

the fair value of any farm and 50 percent of the value of insurable buildings and improvements thereon, then such farm mortgages and indebtedness shall be scaled down in accordance with the provisions of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof. Such loans shall be made at a rate of 1½-percent interest and 1½-percent principal per annum, payable in any lawful money of the United States.

SEC. 4. The Federal Farm Loan Board is further authorized and directed to liquidate, refinance, and take up chattel mortgages and other farm indebtedness existing at the date of enactment of this act, by making loans at the rate of 3-percent interest per annum, secured by first mortgages on livestock used for breeding or agricultural purposes, to an amount equal to 65 percent of the fair market value thereof, such loans to run for a period of 1 year, with right of renewal from year to year for a term of 10 years: *Provided*, That any depreciation in the value of such livestock is replaced by additional livestock used for breeding or agricultural purposes, and the amount of the loan is reduced 10 percent each year.

SEC. 5. There is hereby authorized to be appropriated, out of any money not otherwise appropriated $100,000 for the use of the Federal Farm Loan Board to carry out the provisions of this act. The necessary and actual expenses incurred in carrying out the provisions in this act shall be apportioned and prorated and added to each individual mortgage, and such sums so added shall be paid to the Federal Farm Loan Board for administrative purposes.

SEC. 6. The funds with which to liquidate and refinance existing farm mortgages and other farm indebtedness shall be provided by the issuing of farm-loan bonds by the Federal farm-loan system, through the Federal Farm Loan Board and Federal land banks, as now provided by law, which bonds shall bear interest at the rate of 1½ percent per annum, if secured by mortgages on farms, and 3 percent per annum if secured by chattel mortgages on livestock used for breeding or agricultural purposes. These bonds, after delivery to the Federal Farm Loan Board, may, by it, be sold at par to any individual or corporation, or to any State, National, or Federal Reserve bank, or to the Treasurer of the United States. And it shall be the duty of the Federal Reserve banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds. Such profits to include the franchise tax now paid to the United States.

SEC. 7. In case all of said farm-loan bonds are not readily purchased, then the Federal Farm Loan Board shall present the remainder to the Federal Reserve Board, and the Board shall forthwith cause to be issued and delivered to the Federal Farm Loan Board, Federal Reserve notes to an amount equal to the par value of such bonds as are presented to it. Such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any other security or reserve.

SEC. 8. The Federal Farm Loan Board and the Federal land banks shall turn over all payments of interest and principal on such farm-loan bonds, for which the Federal Reserve Board issues Federal Reserve notes, to the Treasurer of the United States and shall be by him kept for the purpose of redeeming said Federal Reserve notes and reinvested by him as a sinking fund in municipal or State bonds and bearing interest at the rate of at least 2 percent per annum, both principal and interest to be paid in any lawful money of the United States.

SEC. 9. Whenever the amount of money actually in circulation in the United States shall exceed $75 per capita, then the Treasurer of the United States, by and with the approval of the Federal Reserve Board and the President of the United States, may retire Federal Reserve notes in an amount equal to the principal paid on farm-loan bonds, for which Federal Reserve notes were issued, not to exceed 2 percent in any one year, of the amount of Federal Reserve notes so issued.

SEC. 10. There is hereby created a Board of Agriculture consisting of one member from each State, elected by the farmers of such State, who shall be elected by delegates selected by a mass convention of farmers in each county or parish within the United States, who are indebted and declare it to be their intention to take advantage of this act, such county or parish convention to be its own judge as to who are bona fide farmers and otherwise eligible to participate in its proceedings.

SEC. 11. The Federal Farm Loan Board is hereby authorized and directed to give public notice, through the Federal land banks, to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the State delegates, to be held at the State capital of each State, notice of such convention to be given within 60 days after the enactment of this act.

SEC. 12. The farmers attending such county or parish convention and the State delegates attending such State convention shall organize and make such rules and regulations for their procedure as they deem necessary or convenient and shall elect a president and a secretary and make arrangements for such other and future conventions as they may deem necessary to carry out the purposes of this act, and they shall at all times cooperate and assist the Board of Agriculture, the Federal Farm Loan Board, the Federal land banks, and national farm-loan associations to liquidate and refinance farm mortgages and farm indebtedness.

SEC. 13. The State delegates so elected shall meet at the State capitals of their respective States and elect a member of the Board of Agriculture, who shall hold his office from the date of such election and for a period of 2 years from January 20 following and who shall receive $15 per diem and necessary traveling expenses while on official business, to be paid by the Federal Farm Loan Board out of any funds set apart by section 5 of this act.

SEC. 14. Immediately after their election, the members of the Board of Agriculture, upon call of the Federal Farm Loan Board, shall meet at Washington, in the District of Columbia, and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient to carry out the purposes of this act. They shall elect an executive committee of three, none of whom shall be members of the Board of Agriculture, who shall hold their office at the will of said Board.

SEC. 15. The members of the Board of Agriculture shall keep in touch with and report to the executive committee the progress of liquidating and refinancing farm mortgages and farm indebtedness in their respective States. They shall cooperate with county or parish and State governments and with all farm and cooperative organizations within their respective States to speedily bring about the liquidation and refinancing of farm mortgages and farm indebtedness.

SEC. 16. The executive committee of the Board of Agriculture shall advise with and supervise the work of liquidating and refinancing farm mortgages and farm indebtedness by the Federal Farm Loan Board and the Federal Reserve Board, and they shall cooperate with said boards and with county or parish and State governments and with the various farm organizations and with the agricultural colleges of the Nation in order to bring about a just and speedy liquidation and refinancing of farm mortgages and farm indebtedness. They shall report any member of the farm-loan system or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this act to the President of the United States, and it shall be the duty of the President, upon cause shown, to remove any such officer and to appoint some other suitable person in his place with the advice and consent of the Senate.

SEC. 17. The benefits of this act shall also extend to any farmer, or member of his family, who lost his farm through indebtedness or mortgage foreclosure since 1919 and who desires to purchase the farm lost or another farm. It shall also extend to any tenant, or member of his family, who desires to purchase a farm, provided he has lived on and operated a farm as a tenant for at least 3 years prior to the enactment of this act.

SEC. 18. The executive committee of the Board of Agriculture shall have power, in case of crop failures and in other meritorious cases, to extend the time payments due on loans made under this act from time to time for a period not exceeding 3 years, provided the mortgagor keeps up the payment of all taxes on the mortgaged property.

SEC. 19. This act shall be liberally construed, and no technicalities or limitations shall be imposed or permitted to interfere with the speedy carrying out of its purposes; and the provisions of the Federal farm-loan system and the Federal Reserve Banking System shall apply as far as applicable in the carrying out of the provisions of this act; and all laws or parts of laws in conflict herewith are for the purpose of this act repealed. The persons charged with the duty of carrying out the provisions of this act are authorized and directed to do all things necessary or convenient to accomplish its purposes with expedition.

In regard to currency there are several things that our Government must eventually do, and I agree in full with my colleague from Texas in his observations and views in the following:

1. The Federal Reserve banks should be taken over by the Government and operated in the interest of all the people, banks, industry, agriculture, and commerce.

2. No private corporation, or corporation owned by private corporations, should have the right to issue money.

3. The Government should issue currency when in need of money instead of tax-exempt interest-bearing bonds.

4. No additional taxes should be levied as long as we need additional money.

5. Very few of the bankers of the country, even the real good ones, have ever studied or thought anything about this monetary problem.

6. A billion dollars a year can be used by the Government to a better advantage than paying it as interest on Government bonds that may be used as a basis for the issuance of currency.

7. Direct credits should receive the thoughtful consideration of the people.

8. Opposition to any progressive proposal may be expected from those who will be deprived of special privileges, the die-hard, orthodox, hard-money advocates and the poll-parrot satellites of Wall Street who only repeat what others say and never think for themselves.

9. We need and must have more money as a circulating medium, but we should not issue more Government bonds in order to get it.

Money itself is of no value. It is a simple tool desired for the one purpose of making exchanges. Money is no mysterious thing, no mystic principles veil or obscure it. It is a tool for making exchange, just as a hammer is a tool for driving nails.

One great economist defined money to be—

That which passes freely from hand to hand throughout the community in payment for goods and in full discharge of debts, being accepted without reference to the character or credit of the person offering it, and without the intention of the person who receives it to consume it otherwise than in tendering it to others.

Suppose we did not have money. If you had wheat to spare and needed shoes, possibly you could trade the wheat for the shoes, but not likely. You would probably have to trade the wheat for hides and then trade the hides for shoes. This would be very inconvenient. It is much better that we have something called "money" that has a definite value measured in all commodities in order that anything may be exchanged for money and money may be exchanged for anything. Money is a standard or common denominator of value. Money itself is of no value. It is a simple tool desired for the purpose of making exchanges.

Different commodities have been used as money; knives were formerly used as money in China; tobacco served the same function in Virginia. Some other commodities that have served this function are wheat, bark, cattle, iron, and shells. The Department of Commerce recently made a survey and discovered because of a necessity of money over a thousand cities and groups are using scrip and barter for money; it was acceptable to the people at these places in the absence of a sufficient medium of exchange.

It is desirable that we have a stable dollar. Our farmers borrowed money and voted upon themselves road, school, and other improvement bonds when wheat was worth $1.50 a bushel and cotton was worth 20 cents a pound. Later they were called upon to pay these debts when wheat was 40 cents a bushel and cotton 5 cents a pound. This resulted in the payment of $4, in what the farmer had to pay with, to every $1 borrowed; instead of being called upon to pay 6- or 10-percent interest, they were called upon to pay the equivalent of 24 or 40-percent interest.

Do not be misled into believing that supply and demand of a commodity is the sole controlling factor in determining the price of the commodity. Just as much depends on the supply and demand of money and credit. If our cotton and wheat farmers produce only one-fourth of a normal crop this year and money and credit are made scarce, high, and dear, cotton and wheat will be cheap.

Since the supply and demand of money, which includes credit, controls the price of all labor, services, and commodities, our Government should be careful about who controls this great privilege. The people are entitled to have someone who has their general welfare at heart in charge of that great lever that expands or contracts money and credit at will; no one should have charge of this lever who can manipulate it in a way to make profit for themselves to the detriment of the general welfare. What chance has a producer or wage earner of this Nation to earn a decent livelihood for himself and family if the value of his products or labor is fixed by someone who has in mind making a profit for himself?

The framers of the United States Constitution, in article I, section 8, very wisely said:

Congress shall have the power to coin money and regulate the value thereof.

This provision of the Constitution is mandatory. All Members of Congress are sworn to uphold the Constitution. Why has this provision never been carried out? The answer is simple. In the early days of our national existence the people were deceived into believing that the subject of money was so mysterious and intricate that only a few of the financiers understood the subject, and, therefore, the great privilege of issuing and distributing money should be farmed out to them. This was done, and it has never been changed, except to give them more power and authority. The strange part of it all is, as often pointed out by Congressman BUSBY, of Mississippi, that the ones who are the beneficiaries of this great privilege are not even charged with the duty of furnishing the people a sufficient circulating medium.

Do not blame the bankers for this. They are not to blame; they are doing what Congress has permitted them to do; Congress should be held responsible. However, when Congress seriously considers printing sufficient money to carry out this constitutional mandate, the holders of this great privilege and their satellites repeat like parrots such phrases as "printing-press money", "rag money", "fiat money", "baloney money", and "greenbacks." They do not tell you that it is the same kind of money that is printed for them and that it will be backed by the same security, which is the credit of this Nation. Let me make a prediction: The people are getting wise to such false, selfish, and greedy propaganda, and will before very long compel their Congress to change our idiotic monetary system by complying with the Constitution. I will admit it takes a long time to sell the people of this Nation a good proposal.

From 1861 to 1865 there was a War between the States. The United States Government, or the Union, issued $400,000,000 of money to assist in carrying on the war. This money was not secured by gold or any other metal; it was secured by the credit of the Nation. When General Early, of Southern Confederacy fame, was about to take Washington, and the Union was losing ground, this money went down to 35 cents on the dollar. When peace was restored and the credit of the Nation was no longer questioned, this money went back to 100 cents on the dollar, and has remained there ever since. It was the restoration of the Nation's credit, and not gold, that caused these greenbacks to become worth 100 cents on the dollar. Three hundred and forty-six million dollars of this paper money has remained outstanding and is outstanding today; no one ever refused to take it; as it is worn out it is replaced with new bills. These greenbacks up to June 30, 1933, have saved the people of this country more than $11,000,000,000 at 5-percent compound interest.

We do not desire to destroy and will not destroy our monetary system, but we do want the people to be allowed the privilege to pay their debts in dollars that are worth approximately what they were worth when borrowed.

Here in Washington City the Government owns and operates a modern, up-to-date printing plant for the purpose of printing paper money and Government securities. It is the Bureau of Engraving and Printing, employs 5,500 people, and at one time got behind with its money printing until it had to be operated 24 hours a day. The question is: Who gets this paper money, how do they get it, and who benefits by its issuance?

There are 12 Federal Reserve banks in the Nation; they are not the same banks or same system created in 1913. The law has been completely changed; so-called "perfecting" amendments have diverted these banks from the course intended by Congress in 1913. They are owned by the member banks—private corporations—which are in turn owned by individuals. The Government does not own one penny of stock in these institutions, neither does it at this time get one penny of profit from their operations, although they use the credit of the Nation free, are exempt from all taxes except upon their real estate, and are given the greatest privilege that any institution on earth has ever had—a franchise that is worth billions of dollars.

These banks have the right to issue paper money that our Government prints for them at their request; they do pay about 27 cents for printing every thousand dollars worth of bills. I will read from one side of one of these bills:

Federal Reserve note. The United States of America will pay to bearer on demand $5.

On the other side is the picture of the United States Treasury and the words:

United States of America, $5.

You will notice that the Government of the United States agrees to redeem this note that is issued by an institution that is owned solely by private corporations. The Government's agreement carries with it a blanket mortgage on all

the homes, other property, and the incomes of all the people of this Nation.

Do such banks pay for the privilege of issuing these blanket mortgages on the property and incomes of the people? The answer is, "No." The Federal Reserve Act, section 16, provides that they shall pay an interest charge that may be fixed by the Federal Reserve Board. The Board fixed the rate at zero. Therefore, these 12 banks have used the people's credit up to the amount of $60,000,000,000 a year turnover for 20 years for the zero rate of interest. If they had paid a reasonable rate of interest, the Government would have collected hundreds of millions of dollars.

Practically all the money we have in circulation today is money issued by these banks. They use the Nation's credit free to issue it, but someone is paying interest on it every day it is outstanding. The only way the people can expand their currency under this system is to go into debt deeper and pay more interest. The people owe $203,000,000,000 in debts now. During the year 1932 the national income was $40,000,000,000; that year, when we had less than $5,000,000,000 in circulation, the people paid $10,000,000,000 in interest charges alone.

I hope the people get money minded, money conscious. Look at the paper money in your pocket and do not stop investigating until you know all about why, how, and for whose benefit it was issued. It is the one big problem; when it is solved most of all our other problems will sink into insignificance. Congress is the branch of government charged by the Constitution with solving it or with submitting to the Executive proposals to that end.

Nine hundred and eighty-eight million dollars of the present circulating money was obtained by banking institutions depositing Government bonds as collateral security for its issuance. Under the present set-up, if the Government needs a million dollars it issues bonds for the amount and sells the bonds. If certain banking institutions buy the million dollars in bonds it can redeposit the bonds with the Government and receive a million dollars in new money printed at the Bureau of Engraving and Printing. At the same time it uses the money it will get interest on the bonds deposited, but will be required to keep 5 percent of it on deposit with the Treasury and pay one-half of the 1 percent tax, which is to cover the cost of printing and replacing the money. In this way many banks are subsidized by the Government. No one can give a good reason why the Government should not issue the money in the first place rather than issue a tax-exempt, interest-bearing bond and then permit its holder to use the bond or debt as security for the issuance of the money. The Wall Street parrots have never been taught to call this money printing press or fiat or "baloney" money.

Our Government, under the leadership of a great President, is making a determined effort to restore prosperity to the people. Much has been done toward helping wage earners, laborers, farmers, home owner, business, industry, and commerce. Debts have been scaled down, extended, and interest charges have been reduced. It is almost inconceivable that we can continue this start on the road to recovery without the Government having control over its own media of exchange. The issuance and distribution of money is a governmental function. It never should have been farmed out to private corporations; since it has been, the Congress should immediately reassume this great privilege and exercise it in the interest of the people. The first step should be for the Government to take over the 12 Federal Reserve banks and coordinate their activities with the Reconstruction Finance Corporation; then the Government's credit can be used for all banks—National, State, or private—all business, all agriculture, all commerce, and all people. Interest rates can be substantially reduced and the Government can obtain considerable revenue by charging a small sum for the use of its credit; all governmental financing can be handled through the new set-up without charging the Government interest which will eliminate the necessity for the issuance by the Government of another tax-exempt, interest-bearing bond, or to increase taxes.

Is there a need for additional money? During the last year there has been a shrinkage of actual currency in circulation of $1,600,000,000. There has been a contraction of commercial checking deposits of $20,000,000,000 since the depression began. Ex-Senator Robert L. Owen, framer of the Federal Reserve Act and one of the best-informed men in the world on our monetary problems, has pointed out that the effect of this contraction has been to destroy the value of property in terms of money and to give money a very extraordinary value in terms of property. The banks apparently are unable or unwilling to expand these deposits by loans and thus restore the volume of credit which we previously had, in whole or even in substantial part.

The Government alone can expand the currency money to replace the check money contracted. In 1929 money was turning over or was being used in exchange at an average rate of 22 times a year; it is now turning over 11 times a year. The contraction of money and credit, together with the slow turn-over, has reduced the business of the country more than $800,000,000,000 the last year. That situation can be cured by Congress doing what the Constitution says it should do, "coin money and regulate the value thereof."

A few years ago Thomas A. Edison was inspecting Muscle Shoals. He remarked that the Government should operate that great project in the interest of the people. He was asked if he favored the Government borrowing the $50,000,000 necessary to make repairs. His answer substantially was: "No; why should the Government borrow its own credit? If it issues tax-exempt, interest-bearing bonds and sells the bonds to Wall Street bankers to get the money, by the time the bonds are paid the bankers will have collected as much in interest as the Government received on the bonds. In other words, the bankers who will not furnish an ounce of material or a lick of labor will get as much out of it as the men who do the work and furnish the material." Mr. Edison also said at the same time: "Any Government that can issue a dollar bond, interest bearing, that is good can issue a dollar bill, noninterest bearing, that is good; the only difference is the bill is easier to redeem because it does not draw interest." No one can answer Mr. Edison's argument.

The Government has outstanding today about $26,000,000,000 in bonds and securities. Others are to be issued soon. The interest this year to be paid by the Government will amount to almost $1,000,000,000. A program should be considered now that will call for the gradual retirement of all Government bonds upon maturity or when callable with new currency and issue no more of such obligations. It will be a simple process. We will merely substitute one form of Government obligation for another form of Government obligation. The stock argument against this is that every dollar issued will go into the banks and upon each dollar as a base the banks may issue 10 credit dollars, which will cause undue expansion of the currency. That is true, but the argument may be destroyed completely by changing the law allowing the banks to use 1 dollar to issue 10; as the actual money is increased, require the banks to use a larger reserve or prevent them from lending money they do not have, if the facts and circumstances should warrant. Many people who are against issuing a few billion dollars in money are highly in favor of the banks issuing the same amount in credit, claiming it will serve the same purpose. It will serve the same purpose, but an enormous amount of interest would have to be paid on the credit that would not have to be paid on the money, and besides the banks could call in the credit, deflate values, and destroy prices as they did in 1920. They could not control the actual money in that manner; therefore, they are against it.

The Treasury and the Federal Reserve banks have sufficient gold to be used as a reserve for the retirement of this money if a gold base is desired. Silver may also be used. We have and can obtain plenty of it for that purpose, and at the same time help our export trade. Neither gold nor silver is absolutely necessary, as the money issued will be good for the payment of all debts, taxes, and import duties, although from an international-trade standpoint it may be desired to use silver. It will be redeemable in services ren-

dered by the post offices; in payment of all kinds of taxes, including income and excise; in payment of all debts, including debts due the Reconstruction Finance Corporation. We will be using cash instead of interest-bearing credit as a medium of exchange. Money will go into channels of trade and production instead of into tax-exempt, interest-bearing bonds.

It is contended that if more money is issued the dollar will become cheaper, which will be harmful to the farmers and those who live on fixed incomes. We can get on a currency basis, instead of a credit basis, without changing the purchasing power of the dollar, but most of us who advocate issuing more money really desire the return of what may be termed a "cheaper" dollar. As the dollar becomes cheaper real estate, common stocks, cotton, wheat, raw materials, labor, and all goods and services, upon which there is no fixed price, increase in value. This will enable the ones in these groups to have additional purchasing power.

Let us see how much it will affect the wage earner who receives one of these so-called "cheaper" dollars. He can use it to pay 100 cents on his debts, taxes, insurance, rent, electricity, gas, water, telephone, railroad freight and passenger rates, and all other bills, goods, and services upon which there is a fixed and inflexible price. Any adjustment will be in favor of additional purchasing power, which will be in the direction of additional consumption of goods. The factory employee will probably pay a little more for eggs which will enable the farmer to buy more of what his factory produces. It will be better for the wage earner to receive a dollar that will not purchase so much in certain commodities than not to have a job which will enable him to earn a dollar. I much prefer to bring purchasing power up to the point where our surplus may be consumed rather than force production down to a very limited buying power.

In order for this country to progress the farmers of this Nation must receive at least the cost of production. No real prosperity can arrive until then.

It is my earnest desire that the A.A.A. does not place a processing tax on cattle until such time as we have further experience with the commodities that already have such a tax. The A.A.A. has the power and means to pay benefit payments to the farmers in compliance with their program with reference to the cattle industry, and a processing tax at this time on cattle is not necessary.

REAL ESTATE BONDHOLDERS' REORGANIZATION

Mr. COCHRAN of Missouri. Mr. Speaker, I present the following privileged report from the Committee on Accounts.

The Clerk read as follows:

House Resolution 448

Resolved, That the expenses of conducting the investigation authorized by H.Res. 412, incurred by the select committee to investigate real-estate bondholders' reorganizations, acting as a whole or by a 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 amendments:

Page 1, line 5, strike out "$25,000" and insert "$15,000."

After line 11, add "Section 2. That the official committee reporters shall be used at all hearings held in the District of Columbia."

The committee amendments were agreed to.

Mr. MARTIN of Massachusetts. Will the gentleman from Missouri yield?

Mr. COCHRAN of Missouri. I yield to my good friend from Massachusetts.

Mr. MARTIN of Massachusetts. I wonder if the gentleman can state how many investigations have been authorized at this session of Congress, and the total amount of money involved?

Mr. COCHRAN of Missouri. I do not know off-hand how many investigations have been authorized. The Committee on Accounts does not order investigations. The Committee on Rules reports resolutions calling for investigations, and the gentleman from Massachusetts is a member of the Committee on Rules. Certainly the gentleman must be as well advised on that subject as I am. Let me repeat what I have often said: The Committee on Accounts never takes up a resolution to appropriate money to pay the expenses of an investigating committee until this House passes a resolution. The Committee on Accounts, so far as such resolutions are concerned, is the servant of the House, and if it should refuse to appropriate money, after the House orders an investigation, it would be subject to criticism and very properly so.

Mr. O'CONNOR. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield to my friend from New York also a member of the Committee on Rules.

Mr. O'CONNOR. The fact that the committee amendment reduces the amount to $15,000 proves that the majority of the committee is more economical than the minority in this House.

Mr. COCHRAN of Missouri. After hearing those for and against a resolution the committee uses its own judgment as to amount. The House can change it if it desires.

Mr. MARTIN of Massachusetts. The only purpose of my inquiry was that I hope the House will not act like another branch of the Government, to which I am not privileged to refer, of which it is said that it is opened with a prayer and closed with a probe.

Mr. COCHRAN of Missouri. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution 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.

TIN INVESTIGATION

Mr. WARREN. Mr. Speaker, I offer the following privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House Resolution 444

Resolved, That the expenses of conducting the investigation authorized and directed by House Resolution 404 necessarily incurred by the Committee on Foreign Affairs, acting as a whole or by subcommittee, not to exceed $10,000, 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.

SEC. 2. That the official committee reporters shall serve said committee at its meetings in the District of Columbia.

Mr. MARTIN of Massachusetts. Mr. Speaker, may I ask the gentleman why it is necessary to appropriate this large sum of money to get this information, which is available without resorting to this?

Mr. WARREN. The gentleman knows the House passed the resolution for this investigation on a roll call yesterday by a vote of 220 to 90, or thereabouts.

Mr. MARTIN of Massachusetts. I appreciate that, but how does the gentleman arrive at the amount?

Mr. WARREN. The committee was assured that there was no other way of getting this information except through this investigation. They very carefully told us what they expected to do with this money and the committee thinks that the full amount of $10,000 is justified.

Mr. MARTIN of Massachusetts. I wonder if the gentleman would take us into his confidence.

Mr. WARREN. They are going to employ an expert on tin, and in the very nature of the inquiry he will have to be an expert. They figure that his expenses for a 6-month period, for such assistants as he may employ, plus expenses and in assembling all of the data, will be about $7,500. That would leave about $2,500 for the usual expense of the committee at the sessions here and probably in New York. The Committee on Accounts think they made a reasonable and fair statement as to their needs.

I move the previous question.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The resolution was adopted.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

CAMPAIGN EXPENDITURES

Mr. WARREN. Mr. Speaker, I call up House Resolution 449, from the Committee on Accounts, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, That the expenses of conducting the investigation authorized by House Resolution 336, incurred by the special committee to investigate campaign expenditures, acting as a whole or by subcommittee, not to exceed $10,000, 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.

SEC. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia.

Mr. WARREN. Mr. Speaker, it ought to be a source of gladness to at least some us in the House to know that the Committee on Accounts has closed down and closed its shop for the present session of Congress. Because under the rules of the House I have to bring in these expenditure resolutions does not mean that I favor same, for, as I stated yesterday, I am opposed to about 90 percent of the investigations authorized by the House.

I think the House is entitled to know what they have done at this session of Congress insofar as investigations are concerned. They have authorized expenditures for investigations since the 3d of January amounting to $170,500. In order to take care of those investigations, $132,000 of that amount having been voted here during the present week, it is going to be necessary for the Committee on Appropriations to pass, before the final adjournment of Congress, a special appropriation for the contingent fund of the House amounting to approximately $130,000. As the gentleman from Missouri [Mr. COCHRAN] stated, when the House passes these things it is incumbent upon the Committee on Accounts to come in here and grant the money.

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

Mr. WARREN. Yes.

Mr. BRITTEN. Has the Chairman of the Committee on Accounts any figures to indicate how this $170,000 to be expended this year compares with the appropriations in previous years, and particularly in former administrations?

Mr. WARREN. Yes; I shall be frank with the gentleman and say that this is the highest amount in any one year in the last 6 or 7 years.

Mr. BRITTEN. The gentleman is always frank, and I compliment him upon his frankness, his intelligence, and his honor. Thinking of former administrations, I recall when gentlemen on the other side of the aisle would derisively call for the appointment of another commission or another investigation or something of that sort during the Hoover administration. The demand was always made in complete derision of that administration, and my thought now is that in the history of the American Government we have never had so many costly investigations, we have never established so many costly commissions, we have never had so many snoopers throughout the United States, as have been provided for during the present administration. Your campaign promises have been thrown to the winds. The word "economy" is a lost word and your orgy of spending supersedes the expenditures of any peace-time government in the history of the world. Future generations will have to foot the bills.

Mr. WARREN. Mr. Speaker, I did not yield to the gentleman for a speech.

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

Mr. WARREN. Yes.

Mr. SABATH. The gentleman is well informed, and he may recall a number of investigations we had in the Sixty-fifth and Sixty-sixth Congresses, and the approximate cost. That was after the Republicans, by misrepresentation, secured a majority of the House. Of course, we did not spend so much money in the last few years under Republican administrations, because they did not want to investigate themselves, but if we could have investigated some of the actions of a few years ago, I think the country would have been much better off, even if it had cost twice the amount that we expect to expend this year.

Mr. WARREN. The gentleman is talking about a period long before I was here, but I do know that he is accurate in the excessive investigations carried on during that period.

Mr. Speaker, may I digress here and say this: I think I shall be back here as a Member of the House next January, and I hope when we meet here on the opening day of next session that the Democratic majority and the Republican minority, in the interest of orderly procedure, in the interest of organization here in this House, in the interest of responsible party government, will have the courage and the intelligence to repeal this damnable abomination known as the "discharge rule." [Applause.]

I move the previous question.

The previous question was ordered.

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

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

IMPORT DUTY ON COFFEE INTO PUERTO RICO

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent for the immediate consideration of 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, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the taxes and duties imposed by Joint Resolution No. 59, enacted by the Legislature of Puerto Rico and approved by the Governor of Puerto Rico May 5, 1930, are legalized and ratified, and the collection of all such taxes and duties made under or by authority of such joint resolution of the Puerto Rican Legislature is legalized, ratified, and confirmed as fully to all intents and purposes as if the same had, by prior act of Congress, been specifically authorized and directed.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, and I do not intend to object unless something develops in the discussion, but I should like to have the bill explained.

Mr. McDUFFIE. Mr. Speaker, the act of Congress of 1930, enacted June 15 of that year, provided that the Legislature of Puerto Rico might impose certain tariff duties on coffee. It so happened that the Puerto Rican Legislature passed a resolution, no. 59, about 1 month before the approval of the act of Congress, levying a tariff of 10 cents a pound on coffee. That resolution has been held invalid because Congress, at the time of its passage, had not granted authority to pass it.

Coffee is one of the basic industries of the islands, probably the second largest, and, as the gentleman knows, we have already loaned so much money in Puerto Rico with a view to its rehabilitation that we hope some day to realize something upon. The Customs Court within the last few days, on the 12th of June, held that because the resolution of the island legislature was passed after the act of Congress, it was thereby invalid. In other words, the legislature of the island, after authority was granted, could impose the duty, but its action was not retroactive, and must have the approval of Congress to be effective. It so happened that they levied the tax prior to the time when it was proper for them to act. The suggestion for this quick emergency action was sent up yesterday, with the request that it have immediate consideration. I am submitting the letters of the Governor of Puerto Rico, the Honorable Blanton Winship, and the Assistant Secretary of Agriculture which explain and ask for this legislation.

I will state to the gentleman the reasons why this bill is necessary. Brazil or other coffee-producing countries can now, without this tariff, dump its cheap coffee into Puerto Rico and there have it mixed with the better grade of coffee, and destroy the market for one of the basic industries of that island.

Mr. JENKINS of Ohio. As a matter of fact, as I understand it, the grade of coffee produced in Puerto Rico is of a much higher standard than that produced in Brazil?

Mr. McDUFFIE. Very much. The best in the world.

Mr. JENKINS of Ohio. And very little of the Puerto Rican coffee comes to this country. It all goes to Spain and those places where the people have a finer taste for coffee.

Mr. McDUFFIE. Yes; but many of us here have a taste for good coffee.

Mr. KNUTSON. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. KNUTSON. The gentleman mentioned the tax on coffee. Was that an import tax?

Mr. McDUFFIE. It is an import tax. It is simply for the protection of the coffee producers in Puerto Rico who have formed cooperative associations and who might be unable to compete with cheaper coffee.

Mr. McFADDEN. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. McFADDEN. I am heartily in favor of what this bill proposes. I think it is right and proper. Many of the loans that have been made through the Federal Farm Loan system in Puerto Rico have been made to coffee producers. We have been doing all we could to help them develop the coffee industry, and if they have to compete with Brazilian coffee it will destroy the very industry we have been trying to develop.

Mr. McDUFFIE. I thank the gentleman for his contribution. He has given you the very meat and purpose of the legislation.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. MARTIN of Massachusetts. The reason for the legislation is that we, not growing any coffee in the United States, have not had any tariff on coffee coming into the United States. Therefore Puerto Rico finds it necessary to have a tax to protect the kind they grow?

Mr. McDUFFIE. Yes. I think the gentleman from Pennsylvania [Mr. McFADDEN] gave us the main reason for this bill, and that is to prevent the destruction of an industry to which we are lending money through their cooperative associations in the island of Puerto Rico.

Mr. MARTIN of Massachusetts. It is giving to Puerto Rico protection that we would insist upon if we grew coffee in the United States?

Mr. McDUFFIE. That is correct, doubtless, if we are to adhere to the theory of protecting our own industry from the dumping here of cheap products.

Mr. JENKINS of Ohio. I take it the gentleman has contacted the different departments which are vitally interested in this matter?

Mr. McDUFFIE. Yes. The Farm Administration wrote a letter this morning. I had a letter from the Bureau of Insular Affairs or the Secretary of War, sending up this court decision which was rendered on the 12th of June, and asking if possible to secure this legislation at this time. I realize it is very late in the session to undertake it. The bill was introduced yesterday. It is an emergency.

Mr. JENKINS of Ohio. And there was no objection in the gentleman's committee?

Mr. McDUFFIE. None whatsoever. I talked to members of the committee this morning.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. SHALLENBERGER. Does this tax in any way affect the revenues of the United States Government?

Mr. McDUFFIE. None whatsoever.

Mr. SHALLENBERGER. It is entirely for the benefit of the people of the island of Puerto Rico?

Mr. McDUFFIE. It is for the benefit of their treasury, and they certainly need the money, as well as this protection.

Mr. SHALLENBERGER. And it does not affect the price of coffee to the American people?

Mr. McDUFFIE. None whatsoever. Most of our coffee comes from Brazil.

I submit here the communications referred to, the report of the committee, and a statement of the effect of the ruling of the United States Court of Customs Appeals.

COMMITTEE REPORT

[H.Rept. No. —, 73d Cong., 2d sess.]

Mr. McDUFFIE, from the Committee on Insular Affairs, submitted the following report (to accompany H.R. 9946):

The Committee on Insular Affairs, having had under consideration H.R. 9946, reports the same with the recommendation that it do pass.

The purpose of this bill is to ratify the joint resolution, no. 59, of the Puerto Rican Legislature approved May 5, 1930, which is as follows:

"Whereas as a result of the hurricane of September 13, 1928, the coffee industry suffered losses estimated at 75 percent, and one-fourth of the rural population of Puerto Rico was reduced to a condition of misery;

"Whereas the lands devoted to the cultivation of coffee are, due to their hilly nature, unsuitable for the employment of mechanical means of cultivation, and the enforced use of manual labor increases the cost of production to such an extent that it makes it impossible to compete in price with other coffee-exporting countries;

"Whereas the prices now prevailing in the world market are ruinous to such an essentially Puerto Rican industry, and, in the absence of tariff protection, the industry would very soon disappear;

"Whereas an act is now pending approval by the Congress of the United States which authorizes the Legislature of Puerto Rico to impose a duty of 10 cents on every pound of foreign coffee imported into Puerto Rico: Now, therefore, be it

"Resolved by the Legislature of Puerto Rico—

"SECTION 1. From and after August 1, 1930, an import duty of 10 cents a pound is hereby levied on all coffee imported into Puerto Rico, such duty to be collected by the Federal Customs Service established in Puerto Rico, according to such regulations as said Service may prescribe.

"SEC. 2. All laws or parts of laws in conflict herewith are hereby repealed.

"SEC. 3. This act shall take effect as soon as any act is approved by the United States Government, whereby the Legislature of Puerto Rico is authorized to impose an import duty on all coffee brought into this island."

This bill has the approval of the President of the United States, the Secretary of War, and the Governor of Puerto Rico, and is considered absolutely essential to the rehabilitation of the coffee industry of Puerto Rico, upon which a great part of the administration's recovery program for the island is based.

In the following letter to the Secretary of War the Governor of Puerto Rico, Hon. Blanton Winship, states the emergency for the passage of this bill:

JUNE 15, 1934.

Hon. GEORGE H. DERN,
Secretary of War, Washington, D.C.

DEAR MR. SECRETARY: I am enclosing herewith a draft of a bill to ratify Joint Resolution No. 59, of the Puerto Rican Legislature, approved May 5, 1930, imposing a 10-cent import duty on coffee imported into Puerto Rico. The enactment of this bill at the present session of Congress as an emergency matter is necessary to protect a vital portion of the administration's program for the rehabilitation of Puerto Rican industries.

The coffee industry is one of the basic industries of Puerto Rico. The 10-cent tax levied by the joint resolution of 1930, which has heretofore been regularly collected, is necessary to protect the industry, particularly during the present period of recovery from the effects of the hurricane. The levy of the tax is in accord with the intention of Congress as evidenced by the enactment of section 319 of the Tariff Act of 1930, enacted June 15, of that year, which specifically authorized the Legislature of Puerto Rico to impose tariff duties upon coffee imported into Puerto Rico, including coffee grown in a foreign country and imported into Puerto Rico from the United States.

Unfortunately the Puerto Rican act, Joint Resolution No. 59, was enacted and approved by the Governor on May 5, 1930, a month and 12 days before the approval of the act of Congress, and consequently the United States Court of Customs and Patent Appeals has now held, in a decision handed down within the past few days (June 12, 1934), that the act of the Puerto Rican Legislature is invalid and void because at the time it was passed Congress had not yet given that legislature the power to enact such legislation.

Therefore it is necessary to have the Puerto Rican act ratified. The bill herewith submitted is drawn to follow substantially the language used in the act of Congress of June 5, 1920 (c. 253, 41 Stat. 1025), ratifying an export tax theretofore attempted to be imposed by the Philippine Legislature. That ratifying act was upheld by the United States Supreme Court in the case of *Rafferty* v. *Smith, Bell & Co.* (257 U.S. 226, 232).

The vital necessity for this legislation at the present term of the Congress arises especially from the fact that cooperatives have been formed of the coffee raisers through the Farm Credit Administration for the purpose of extending to them the aid necessary to preserve the industry. This could not be extended if the cheap coffee from Brazil were thrown into the country, thus reducing the price of the Puerto Rican product to a point where little of that could be sold except at the depreciated value on which the

Farm Credit Administration would not be willing to extend the loan.

I urgently request that you transmit this to the chairman of the appropriate committees of Congress with the request that the enactment of this legislation be secured at the present session.

Sincerely yours,

BLANTON WINSHIP,
Governor of Puerto Rico.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 16, 1934.

HON. JOHN MCDUFFIE,
House of Representatives.

MY DEAR MR. MCDUFFIE: The President directs me to assure you that the contemplated approval of the 10-cent tax on Puerto Rican coffee meets with his hearty approval.

Sincerely yours,

R. G. TUGWELL,
Assistant Secretary.

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

DUTY ON COFFEE IMPORTED INTO PUERTO RICO HELD INVALID

The United States Court of Customs and Patent Appeals, by Hatfield, associate judge, handed down an opinion today holding that the act of the legislature of Puerto Rico imposing a duty of 10 cents per pound on coffee is invalid.

As a result of the hurricane of September 13, 1928, in Puerto Rico the coffee industry suffered losses estimated at 75 percent, and one-fourth of the rural population was reduced to a condition of misery. It was felt that tariff protection was necessary for the rehabilitation of the industry.

The 10-cent duty on coffee was adopted by the Legislature of Puerto Rico May 5, 1930, effective "* * * as soon as any act is approved by the United States Government, whereby the Legislature of Puerto Rico is authorized to impose an import duty on all coffee brought into this island."

Several weeks later Congress, in section 319 of the Tariff Act of June 17, 1930, empowered the Legislature of Puerto Rico to impose duties upon coffee. The collector of customs of Puerto Rico assessed the 10-cent duty commencing July 15, 1930. The Puerto Rico Brokerage Co. and others protested against the assessment of this duty upon coffee imported into Puerto Rico from the United States, and when the trial court overruled the protest and upheld the duty, they appealed to this court. (*Puerto Rico Brokerage Co., Inc., et al.*, v. *the United States.* Customs Appeal No. 3666).

The opinion handed down today reverses the judgment of the lower court and holds that the action of the Legislature of Puerto Rico was void for want of constitutional power to adopt it, and that it was not validated by the later action of Congress, which was not retroactive and which only authorized subsequent enactment of the necessary legislation. It is held that the protest of the Puerto Rico Brokerage Co. should be sustained, and that the duty was illegally assessed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. MCDUFFIE]?

There was no objection.

The bill 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.

RAILROAD RETIREMENT ACT

Mr. LEA of California. Mr. Speaker, I call up the conference report on the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, and 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 California [Mr. LEA]?

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 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"DEFINITIONS

"SECTION 1. That as used in this act—

"(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 next $100; and 1 percent of the compensation in excess of $150. The 'monthly compensation' shall be the average of the monthly compensation paid to the employee by the carrier, except that where applicable 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 eight 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 for any employee contribution. 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.

"CONTRIBUTION

"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 employee by the carrier excluding compensation in excess of $300 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.

"EXISTING PENSION SYSTEMS

"SEC. 6. The Board shall have the power to provide by appropriate rules and regulations for substituting the provisions for annuities and other benefits to employees under this act, for any obligation for prior service or for any existing provisions for the voluntary payment of pensions to employees subject to this act by a carrier or any employees subject to this act, so as to relieve such carrier from its obligations for age retirement benefits under its existing pension systems and to transfer such obligations to the retirement system herein established. If the fulfillment of any such transferred obligation shall require additional contributions or larger payments than would otherwise be required under the provisions of this act, then such additional contributions shall be made by the carrier originally responsible for the creation of such obligation or for the excess amount of such payments over those which would be required under the provisions of this act. In the event that the Board is unable to make satisfactory arrangements with any carrier for the substitution of the provisions under this act for its existing pension system, then, and in that event, the provisions of this act shall be applied to said carrier and its employees without regard to any conflict or duplication in the operation of such an existing pension system and the operation and effect of the provisions of this act: *Provided*, That the Board, at its option, shall have power, in lieu of the foregoing provisions of this section, to order that all former employees of carriers, who prior to the effective date have become separated from the service at the age of 70 years or over and who may or may not be receiving age retirement benefits, shall be entitled to the benefits of this act.

"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 the act. When a question arises as to 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, 1 at the end of 2 years, 1 at the end of 3 years, and 1 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, administer 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 disbursements 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."

And the House agree to the same.

CLARENCE F. LEA,
ROBERT CROSSER,
J. G. MILLIGAN,
PEHR G. HOLMES,
B. CARROLL REECE,
Managers on the part of the House.
FRED H. BROWN,
B. K. WHEELER,
ROBERT F. WAGNER,
DANIEL O. HASTINGS,
H. D. HATFIELD,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the House amendment with an amendment which is a substitute for both the Senate bill and the House amendment.

The Senate bill (sec. 3) provided that the amount of annuities shall be determined by multiplying the number of years of service by 2 percent of the monthly compensation. The House amendment provides for determining the amount of the annuity 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 substitute follows the House amendment except that the following percentages of the monthly compensation are adopted: 2 percent of the first $50, 1½ percent of the next $100, and 1 percent of the compensation in excess of $150. The House provision that no part of the monthly compensation in excess of $300 shall be recognized in determining any employee's compensation is retained in the substitute. The substitute omits the prohibition against any annuity exceeding $100.

The Senate bill (sec. 6) contained a provision authorizing the board to make necessary adjustments in connection with present pension systems. The House amendment provides specifically for the payment of such pensions out of the fund created by the act. The substitute contains the Senate provision.

CLARENCE F. LEA,
ROBERT CROSSER,
J. L. MILLIGAN,
PEHR G. HOLMES,
B. CARROLL REECE,
Managers on the part of the House.

Mr. LEA of California. Mr. Speaker, the agreement reached in conference is substantially the same as the bill passed the House, with three principal exceptions. The first of the concessions made to the Senate was the elimination of the $100 limitation on annuities. Under this bill as agreed upon and as it will operate in practice, the maximum annuity will be $120 instead of $100, as in the House bill.

The second and most important concession made by the House conferees was in reference to the percentages on which annuities are based. The bill, as it passed the House, carried 2 percent on the first $50 of compensation, 1½ percent on the second $50, and 1 percent on the balance of $200. The bill as agreed upon carries 2 percent on the first $50, 1½ percent on the first $100, and 1 percent on the balance of $150 of the computable compensation. This percentage of the monthly compensation multiplied by the number of years of service, not exceeding 30, constitutes the annuities allowed by this bill.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. LEA of California. I yield.

Mr. MARTIN of Massachusetts. That would give the smaller salaried man a better break than he would get under the original House bill, would it not?

Mr. LEA of California. Slightly; yes.

Mr. BLANCHARD. Will the gentleman yield?

Mr. LEA of California. I yield.

Mr. BLANCHARD. What was the maximum benefit carried in the original Senate bill?

Mr. LEA of California. The maximum benefit would have been $180, based on a $300 computable compensation.

Mr. BLANCHARD. Under the compromise measure the maximum annuity is $120.

Mr. LEA of California. Yes.

Mr. BLANCHARD. So, as compared with the original House bill the amount of the annuity has been increased from a maximum of $100 to a maximum of $120.

Mr. LEA of California. The gentleman is correct.

Mr. MILLIGAN. The maximum in the Senate bill, as I remember, was $180.

Mr. LEA of California. Under the Senate bill after the computable basis was reduced.

The third change made was in section 6. The House yielded to the Senate as to section 6 which provides for transferring company insurance into this system, under certain circumstances. The Senate conferees strongly resisted the proposed change. Under section 6 of the Senate bill provisions are made for the continuance of existing pension systems as to those already retired, or for taking certain aged employees into the system provided by this bill.

It has been our desire that those already drawing annuities under private systems shall not be treated less favorably than at present. After careful consideration we felt we could make this concession without sacrificing any of the rights of those who are now enjoying benefits under the railroad-pension system.

The aggregate amount of these concessions, I am advised, will not exceed 10 percent of the total amount involved.

Mr. MARTIN of Massachusetts. Does this come with the unanimous report of all the conferees?

Mr. LEA of California. Yes; it has the unanimous approval of all the conferees.

Mr. MARTIN of Massachusetts. I thank the gentleman.

The funds provided by this bill will be ample to assure a surplus for each of the first 4 years. Prior to that time it is hoped a permanent, practical, and sound plan will be well established. The contributions required are the same as in the bill when it passed the House.

I submit a brief illustrative table showing annuities on a monthly basis on the bill as agreed to in conference, based on 30 years' service and various average monthly compensation and full retirement at 65 years.

Average monthly compensation:	*Annuity per month*
$80	$43.50
100	52.50
125	63.75
150	75.00
175	82.50
200	90.00
225	97.50
250	105.00
275	112.50
300	120.00

The proposed permanent plan can be worked in the light of the practical experience under this initial plan.

The retirement board placed in charge of the administration of this act will have a splendid opportunity to perform a very useful service.

Mr. LEA of California. Mr. Speaker, I move the previous question on the adoption of the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

ARCHIVES BILL

Mr. KELLER. Mr. Speaker, I submit the following conference report (Rept. No. 2048) on the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, and ask unanimous consent for its present consideration:

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. 8910) to establish a National Archives of the United States Government, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows:

On page 6, line 19, strike out the figures "$8,000" and insert "$10,000."

On page 7, line 9, strike out the words "to secure" and substitute therefor the words "and shall have."

On page 7, line 10, after the word "inspections", strike out the remainder of line 10, and all of line 11 and line 12, to the words "and to requisition."

On page 7, line 14, strike out the word "Commission" and substitute therefor the word "Council."

On page 7, line 18, after the word "building", insert a semicolon and add the following: "*Provided*, That any head of an executive department, independent office, or other agency of the Government may, for limited periods, not exceeding in duration his tenure of that office, exempt from examination and consultation by officials, private individuals, or any other persons such confidential matter transferred from his department or office, as he may deem wise."

On page 8, line 4, after the word "publication", insert the following: "and/or otherwise recording."

On page 9, following line 12, insert a new section, as follows:

"SEC. 7. The National Archives may also accept, store, and preserve motion-picture films and sound recordings pertaining to and illustrative of historical activities of the United States, and in connection therewith maintain a projecting room for showing such films and reproducing such sound recordings for historical purposes and study."

On page 9, line 13 and line 15, and on page 10, line 6 and line 23, strike out the figures "7", "8", "9", and "10", after the word "Sec.", and insert the figures "8", "9", "10", and "11."

KENT E. KELLER,
ROBERT T. SECREST,
ROBERT LUCE,
Managers on the part of the House.

A. W. BARKLEY,
KENNETH MCKELLAR,
S. D. FESS,
Managers on the part of the Senate.

Mr. KELLER. 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 Illinois?

There was no objection.

The Clerk read the statement.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman from Illinois explain the bill?

Mr. KELLER. This is a unanimous report of the Senate and House conferees. There are no important changes, because the bills are very similar. The only actual change of any importance made by the Senate was in that provision of the Bloom bill for films and recording sound apparatus. There is no change of any importance. It is a unanimous agreement between the conferees.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

INDIAN RIGHTS

Mr. HOWARD. Mr. Speaker, I submit the following conference report (Rept. No. 2049) on 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, and ask unanimous consent for its present consideration.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"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.

"SEC. 3. The Secretary of the Interior, if he shall find it to be in the public interest, is hereby authorized 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 this section shall not apply to lands within any reclamation project heretofore authorized in any Indian reservation: *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 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 hereinbefore 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 or shares 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 cooperative organizations.

"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, interest 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 outside of the exterior boundaries of Navajo Indian Reservation for the Navajo Indians in Arizona and New Mexico, in the event that the proposed Navajo boundary extension measures now pending in Congress and embodied in the bills (S. 2499 and H.R. 8927) to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes, and the bills (S. 2531 and H.R. 8982) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico and for other purposes, or similar legislation, become law.

"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 or individual Indian 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.

"SEC. 7. The Secretary of the Interior is hereby authorized to proclaim new Indian reservations on lands acquired pursuant to any authority conferred by this act, or to add such lands to existing reservations: *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 at 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. 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 or other organizations created under this act.

"SEC. 10. 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 corporation 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. 11. 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. 12. 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. 13. 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 16, shall apply to the Territory of Alaska: *Provided,* That sections 2, 4, 7, 16, 17, and 18 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. Section 4 of this act shall not apply to the Indians of the Klamath Reservation in Oregon.

"SEC. 14. 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 (25 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 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. 15. 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. 16. Any Indian tribe, or tribes, residing on the same reservation, 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. Such constitution and bylaws when ratified as aforesaid and approved by the Secretary of the Interior shall be revocable by an election open to the same voters and conducted in the same manner as hereinabove provided. Amendments to the constitution and bylaws may be ratified and approved by the Secretary in the same manner as the original constitution and bylaws.

"In addition to all powers vested in any Indian tribe or tribal council by existing law, the constitution adopted by said tribe shall also vest in such tribe or its tribal council the following rights and powers: To employ legal counsel, the choice of counsel and fixing of fees to be subject to the approval of the Secretary of the Interior; to prevent the sale, disposition, lease, or encumbrance of tribal lands, interests in lands, or other tribal assets without the consent of the tribe; and to negotiate with the Federal, State, and local Governments. The Secretary of the Interior shall advise such tribe or its tribal council 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. 17. The Secretary of the Interior may, upon petition by at least one-third 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 by a majority vote of the adult Indians living on the reservation. Such charter may convey to the incorporated tribe 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 to the conduct of corporate business, not inconsistent 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. Any charter so issued shall not be revoked or surrendered except by act of Congress.

"SEC. 18. 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 1 year 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. 19. The term 'Indian' as used in this act shall include all persons of Indian descent who are members of any recognized Indian tribe now under Federal jurisdiction, and all persons who are descendants of such members who were, on June 1, 1934, residing within the present boundaries of any Indian reservation, and shall further include all other persons of one-half or more Indian blood. For the purposes of this act, Eskimos and other aboriginal peoples of Alaska shall be considered Indians. The term 'tribe' wherever used in this act shall be construed to refer to any Indian tribe, organized band, pueblo, or the Indians residing on one reservation. The words 'adult Indians' wherever used in this act shall be construed to refer to Indians who have attained the age of 21 years."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

EDGAR HOWARD,
ROY E. AYERS,
FRED C. GILCHRIST,
SAM L. COLLINS,
KNUTE HILL,
Managers on the part of the House.

BURTON K. WHEELER,
ELMER THOMAS,
LYNN J. FRAZIER,
Managers on the part of the Senate.

STATEMENT

After conference on the disagreeing votes of the two Houses on the amendments 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, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report. The conferees have recommended the adoption of the House amendment with certain modifications. The substance of the agreement is as follows:

Section 1: This section retains the exact language of both Senate and House bills.

Section 2: The proviso in this section adopted in the House bill is stricken out, leaving this section exactly as in the Senate bill.

Section 3: This section is almost identical with section 3 of the House bill with a slight amendment, making the restoration of Indian lands to tribal ownership discretionary with the Secretary of the Interior rather than mandatory.

Section 4: This section is section 4 of the House bill with the elimination of the last two provisos, the first of which permitted the alienation of restricted Indian allotted lands, and the last proviso exempted Indians in the State of Oklahoma from the operation of certain features of the bill. This proviso was found unnecessary in view of the provisions of section 13 of the measure agreed upon by the conferees.

Section 5: The language of this section as agreed upon is that of section 5 of the House bill with the acceptance of the Senate language with reference to the Navajo Indians in Arizona and New Mexico.

Section 6: The language of section 6 of the House bill was adopted verbatim, except for the elimination of the provision permitting reduction in the contract price for the purchase of Indian timber.

Section 7: This section as agreed upon is verbatim section 7 of the Senate bill.

Section 8: This section as agreed upon is verbatim section 8 of the House bill.

Section 9: This section as agreed upon is the language of section 10 of the House bill and section 11 of the Senate bill.

Section 10: The language of this section is that of section 11 of the House bill and section 12 of the Senate bill.

Section 11: This section as agreed upon is section 12 of the House bill.

Section 12: This section as agreed upon is identical with section 13 of the House bill and section 14 of the Senate bill.

Section 13: This section as agreed upon is identical, except for minor changes of numbering made necessary by rearrangement of the sections, with section 14 of the House bill and section 15 of the Senate bill.

Section 14: This section as agreed upon is section 15 of the House bill and section 16 of the Senate bill.

Section 15: The language of this section as agreed upon is that contained in section 16 of the House bill and also in section 17 of the Senate bill.

Section 16: This section as agreed upon is exactly that of section 9 of the Senate bill, except that tribal organizations may be dissolved in the same manner as formed, rather than by two-thirds vote.

Section 17: The conferees agreed to recommend the adoption of section 10 of the Senate bill, striking out the last half of the section which would have permitted the transfer of Government property to Indian tribes or corporations.

Section 18: A corresponding section did not appear in the Senate bill and section 19 of the House bill was agreed upon, changing the time within which election must be held from 6 months to 1 year.

Section 19: The definitions contained in section 18 of the Senate bill were agreed upon.

The provisions of the House bill embodied in section 9, which it was agreed should be eliminated, would have permitted small Indian groups to organize under the cooperative plan. In view of the tribal organizations permitted under the bill as recommended, the power granted is sufficient for the time being.

The title of the House bill was agreed upon.

EDGAR HOWARD,
KNUTE HILL,
ROY E. AYERS,
FRED C. GILCHRIST,
SAM L. COLLINS,
Managers on the part of the House.

Mr. HOWARD. 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 Nebraska?

There was no objection.

The Clerk read the statement.

Mr. HOWARD. Mr. Speaker, your conferees have nothing to offer further than the report and the statement which has been read. The gentleman from Wyoming [Mr. CARTER] desires a little time to ask some questions, which is quite agreeable to your conferees.

Mr. CARTER of Wyoming. Mr. Speaker, I want to interrogate the chairman of the committee a little with regard to the conference report. Was not the House bill entirely different from the Senate bill?

Mr. HOWARD. Not entirely. A great many of the sections were exactly the same.

Mr. CARTER of Wyoming. Is the bill as it comes from conference more like the bill which passed the Senate, or the bill which passed the House?

Mr. HOWARD. Mr. Speaker, I would say the major part of it is taken from the House bill.

Mr. CARTER of Wyoming. I am glad to know that. Is the bill as it now stands different from the original bill that was introduced?

Mr. HOWARD. Indeed, the original bill would not recognize this as its own child.

Mr. CARTER of Wyoming. Mr. Speaker, the reason for these inquiries is because Commissioner Collier told the Indians at the plains congress in South Dakota that if the bill which finally passed the Congress was different from the bill which was drawn in his department he would go to the President and ask the President to veto the bill. The gentleman from Nebraska says the bill now before us is entirely different than the original bill. Does the gentleman know whether or not Commissioner Collier intends to ask the President to veto this bill?

Mr. HOWARD. I am quite satisfied that the Commissioner will be satisfied with the work of the Congress with reference to this legislation and will not discuss the problem with the President.

Mr. CARTER of Wyoming. Then the gentleman does not think the Commissioner is going to keep the word he gave to the Indians at South Dakota a month or so ago?

Mr. HOWARD. I have no thought on that subject. I do not know what word he gave.

Mr. CARTER of Wyoming. I am referring to the statements Mr. Collier made to the Indians at the plains congress in South Dakota at which time he stated that if the bill was changed he would ask the President to veto it.

Mr. HOWARD. I do not recall any such statement. I have known John Collier for 12 years, since I have been a member of the Committee on Indian Affairs; and whatever John Collier has told me in years gone by I have found to be absolutely true to the letter. That is all I know about it.

Mr. CARTER of Wyoming. I hope, in view of the fact the gentleman thinks so much of the integrity of Mr. Collier, that Mr. Collier will keep his word which he has given the Indians.

Mr. HOWARD. I feel I can guarantee that.

Mr. AYERS of Montana. Will the gentleman from Nebraska yield?

Mr. HOWARD. I yield to the gentleman from Montana.

Mr. AYERS of Montana. The great difference between this bill as reported and the original Wheeler-Howard bill is that everything in this bill is optional with the Indians, while in the original bill everything was mandatory—the Indian Department could crack its whip under the original bill and the Indian had to "root, hog, or die." In the original bill every reservation positively had to come under the provisions of the bill and every tribe within every reservation had to abide by and be subjected to the provisions of the bill and according to its terms, instead of being a self-government bill it was the most autocratic, dictatorial program ever heard of. Under the original bill no Indian had the right to devise his land by will except to the tribe and no heir could inherit as an heir. If an Indian died intestate his property did not go to his children or to his legal heirs but to the tribe. The original bill attempted to lay down and promulgate matters of higher education, and it went so far as to legislate on matters of religion. Under this bill, as reported, the laws of the State in which the reservation is located shall be the yardstick on devise by will and inheritance. By this will we appropriate for Indian education, but, mind you, only one-fifth of such appropriation is to be used for higher education, the other four-fifths must be used for industrial, commercial, vocational, and trade schooling. It is our desire to give the Indian an education which he can use and which will be of benefit to him and his tribe.

In order that the Indian, after being educated in a practical way, may pursue his trade or vocation and be preferred in positions upon Indian reservations, we have set up in the bill reported a preference for him and we have provided and directed a special set-up without regard to the civil-service laws, whereby he can establish a rating for such reservation positions.

Under the bill, as reported, no reservation in America shall come under the provisions of this act until a majority of the adult Indians of such reservation shall vote to do so. Such election must be called by the Secretary of the Interior within 1 year after the passage and approval of the act and no move on the part of the Indian is necessary to call this election—the Secretary and the Indian Department must assume that responsibility.

After any reservation has elected to come within the provisions of the act, then it is still discretionary with the members of the reservation if they come within the corporate provisions of the law.

For the common welfare of any tribe or tribes residing upon the same reservation, the right to organize and adopt a constitution and bylaws is provided for, and a majority of the adult Indians residing on such reservation is required to do so. In short, this is a provision to legalize the tribal councils of the various reservations of the country if a majority of such tribes so desire.

Mr. O'MALLEY. It is my understanding that the set-up of Indian corporations, as expressed in both the House and Senate bills, was dropped out of the bill in conference and is not now in there.

Mr. AYERS of Montana. Insofar as the cooperative end is concerned; yes, sir. So far as the tribes on these reserva-

tions are concerned; no. A majority of an Indian tribe, or a majority of the adult Indians on a reservation, may come under the provisions of the bill, so far as the corporate end is concerned, as well as under the general provisions of the bill.

Mr. BLANCHARD. Perhaps it is presumptuous to ask the gentleman this question, but I should like to know whether or not the Committee on Indian Affairs favored the original bill that was introduced?

Mr. AYERS of Montana. Absolutely no. We were unalterably opposed to it.

Mr. BLANCHARD. I take it the gentleman has expressed his opinion as to where he stood, probably opposed to the original bill?

Mr. AYERS of Montana. The gentleman from Wisconsin is absolutely right. Under no conditions would I support the original bill. It was vicious.

Mr. BLANCHARD. Is the gentleman from Montana now satisfied with the bill that is presented in this conference report?

Mr. AYERS of Montana. I will not say I am satisfied with it, but the Indians should be given some home-rule legislation, and, while this is inefficient, it is a starter.

Mr. BLANCHARD. We have not acceded to the Senate in this conference report?

Mr. AYERS of Montana. Oh, maybe to the extent of 10 percent. We have our bill to the extent of 90 percent.

Mr. HOWARD. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, the gentleman from Nebraska and others in the discussion during the consideration of the bill in the House stated that the House bill eliminated the provisions to which the Christian Reformed and other churches objected, but that the bill as it came over from the Senate contained the provisions to which they objected. Will the gentleman inform the House whether or not the House yielded on those provisions or whether the Senate yielded and what the situation now is in reference to those particular provisions?

Mr. HOWARD. In reply to the gentleman's question, may I say that the religious folks, of which the gentleman speaks, specifically objected to the words "Indian traditions" in the original bill. That was entirely stricken out in the House bill, and I do not believe it appears in the bill as reported by the conferees.

Mr. AYERS of Montana. It is eliminated in the bill reported by the conference. Certainly not a member of the conference would let anything of a religious nature remain in any bill they reported back to the Congress.

Mr. MAPES. Did the conferees have an opportunity to consult any representative of the churches to know whether or not they approve the conference report?

Mr. AYERS of Montana. There was no need to consult with them for the reason that all matters of churches and religion had long since been emphatically eliminated by both the Senate and House committees.

Mr. MAPES. There was some need. They stated it allowed the Indians to go back to their tribal forms of worship and so on. I wondered if the conference report would allow that?

Mr. AYERS of Montana. We neither allowed nor disallowed it. We refused to consider the subject. We contended that we now have adequate legislation on that subject.

Mr. O'MALLEY. The missionaries apparently objected to the section allowing the Indians to revive their old traditions. I talked this over with the missionaries of many denominations, and they are perfectly satisfied with the bill.

Mr. MAPES. And with the conference report?

Mr. O'MALLEY. Yes. It was my motion that laid the original bill on the table. This bill is satisfactory.

Mr. JENKINS of Ohio. May I ask the gentleman from Montana [Mr. AYERS] a question? There are a group of Indians here from southern California. They apparently are very much dissatisfied with all of these bills. Even as late as yesterday they were dissatisfied with the bill that was passed at that time. I am not familiar with their grievance and I am not familiar with the details of this bill, but can the gentleman tell me whether or not in this conference any of these objections have been removed?

Mr. AYERS of Montana. As far as I know, their objections had reference to property rights. Now, I will ask the gentleman from Ohio to understand that the original bill sought to take all the private property of the Indians and put it into a community tribal project. When an Indian died he was not permitted to will his property except to the tribe. If he died intestate, the tribe inherited all his property to the exclusion of his heirs except as they were members of the tribe. Under the provisions of this bill as now reported, every Indian heir inherits property according to the State law of the State in which the reservation is located. That was the principal objection, as I understand it, and, believe me, it was a meritorious objection. We have protected them better than previously, because under the old system they inherited according to Government law, and Government law simply gave the Commissioner of Indian Affairs, or the Secretary of the Interior, the right to make rules on descent and inheritance. Now we have confined it to the State laws where the doctrine of petition and distribution apply, and where all of the natural laws of kin and relationship apply.

Mr. JENKINS of Ohio. Was that in the bill which we passed yesterday?

Mr. AYERS of Montana. Yes, sir. The conference has not changed a word of our bill on that subject.

Mr. JENKINS of Ohio. And the conference has not changed that feature?

Mr. AYERS of Montana. No.

Mr. WERNER. May I ask the gentleman from Montana if the continuing propaganda being put out by the Commissioner of Indian Affairs referring to the measure as the original Wheeler-Howard bill may not be the reason there is still opposition to this bill coming to us from the Indians?

Mr. AYERS of Montana. I think so. The Indians think we are dealing with the original Wheeler-Howard bill, when as a matter of fact all we have of it is the title and number. I am confident this was never WHEELER'S or HOWARD'S baby—it was laid on their doorstep, and they have cast it off and brought forth legitimate offspring.

Mr. WERNER. The gentleman from Montana aided a majority of the members of the committee in the rewriting of the original Wheeler-Howard bill?

Mr. AYERS of Montana. Yes. I was opposed to the original bill, and if it were here today, you would find me fighting it with all my strength.

Mr. WERNER. The gentleman does not agree with the statement put in the CONGRESSIONAL RECORD as recently as 3 days ago, being an article by the Commissioner of Indian Affairs to the effect that this measure is in fact the original Wheeler-Howard bill?

Mr. AYERS of Montana. I am sorry to admit that I have not read the RECORD on that point, but I emphatically assert that the legislation we are considering is not the original Wheeler-Howard bill. The instant bill makes everything optional with the Indians, whereas the original bill reposed exclusively on mandatory provisions. There is nothing mandatory in this bill as reported, and I may say that a large measure of credit for eliminating those obnoxious provisions is due to the long and hard work of the gentleman from South Dakota [Mr. WERNER]. He has always exerted his every effort for the Indian, and his battles for them in our committee were most commendable.

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.

THOMAS JEFFERSON

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H.J.Res. 371) 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.

The Clerk read the joint resolution, as follows:

Whereas there exists no adequate permanent national memorial to Thomas Jefferson in the Nation's Capital; and

Whereas the American people feel a deep debt of gratitude to Thomas Jefferson and in honor of the services rendered by him: Therefore be it

Resolved, etc., That there is hereby established a commission, to be known as the "Thomas Jefferson Memorial Commission", for the purpose of considering and formulating plans for designing and constructing a permanent memorial in the city of Washington, D.C. Said commission shall be composed of 12 commissioners, as follows: Three persons to be appointed by the President of the United States, 3 Senators by the President of the Senate, 3 Members of the House of Representatives by the Speaker of the House of Representatives, and 3 members of the Thomas Jefferson Memorial Foundation, Inc., to be selected by such foundation.

SEC. 2. The Thomas Jefferson Memorial Commission may, in its discretion, accept from any source, public or private, money or property to be used for the purpose of making surveys and investigations, formulating, preparing, and considering plans and estimates for the improvement, construction, or other expenses incurred or to be incurred.

SEC. 3. That said commission shall annually submit to Congress a report of the progress of the work of the commission.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from New York if there is any special significance in the fact that all these Jefferson memorials or monuments are coming up this year. Jefferson has been dead a good many years and just recently we have had two such measures. The gentleman is not afraid his memory is going to be forgotten in any way?

Mr. BOYLAN. I may say to the gentleman, Mr. Speaker, I have had this resolution here for the last 5 or 6 years. I think we are a neglectful Republic, inasmuch as to my mind the debt of gratitude we owe Thomas Jefferson is second to no other man who helped in the formation of this country. I believe our ingratitude and neglect of the past should come to an end at this time by the appointment of a commission to erect a suitable memorial to Thomas Jefferson in the Nation's capital.

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

Mr. BOYLAN. Yes.

Mr. CELLER. I am heartily in favor of this resolution since, in the city of Washington, Jefferson should certainly have some memorial of this kind, because a statue of him in the corridor of the House of Representatives is the only memorial to Thomas Jefferson, as I understand, anywhere in Washington.

Mr. BOYLAN. Yes; I was going to explain that. The statue of him in the corridor of the House is the only memorial I can find in the city of Washington.

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

Mr. BOYLAN. Yes.

Mr. BRITTEN. I have been informed that plans and specifications are in the making for a so-called "Apex Building" on the block that is designated in the gentleman's resolution. Can the gentleman inform the House whether the Apex Building plans and specifications have been completed?

Mr. BOYLAN. I may say to the gentleman that they have not. I objected to any building going on that block, because I think that is the appropriate place to erect a memorial to Thomas Jefferson. In addition, the gentleman being a connoisseur of the arts, has probably noted that the beautiful facade of the Archives Building, that is, the easterly approach, is of particular and special artistic value, and the erection of a memorial to Jefferson on the block to the east would preserve the view of that beautiful facade of the Archives Building.

Mr. BRITTEN. Mr. Speaker, I entirely agree with the gentleman, even though the plans and specifications for the Apex Building have been concluded. I think that block ought to be preserved for a fitting monument to one of our heroes, whoever he may be, and it is unimportant whether he was a Democrat or Republican. I think it should be embellished with something along the line of the gentleman's suggestion in the interest of beautiful Washington. Ultimately this city is going to be the most beautiful capital an dthe most beautiful city in the world, and I should much prefer seeing a monument such as the gentleman has in mind on this particular block than any building erected there, because of the peculiar shape of the block.

Mr. BOYLAN. I am very happy to have the support of the gentleman from Illinois.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. MARTIN of Massachusetts. Does the gentleman's resolution call for the expenditure of any money at this time?

Mr. BOYLAN. It does not.

Mr. MARTIN of Massachusetts. The gentleman is not going to ask for an investigation to further investigate the matter?

Mr. BOYLAN. No; I expect the patriotism and gratitude of the country and of the Congress, at some future time, will rise to the needs of the occasion and provide the necessary funds for a suitable memorial to the author of the Declaration of Independence, the third President of the United States, and the author of the statute providing for religious liberty in Virginia. [Applause.]

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

There was no objection.

The joint resolution 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.

CONDUCT OF BUSINESS BY RECEIVERS

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8544) 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, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 6, after the word "shall", insert "from and after the enactment of this act."

Mr. PARSONS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PARSONS. Under what conditions is this bill being reported to the House?

The SPEAKER. This is a unanimous-consent request to concur in the Senate amendment.

Mr. PARSONS. I object, Mr. Speaker.

EXTENSION OF REMARKS

Mr. GOSS. Mr. Speaker, I ask unanimous consent to extend the remarks I made this morning and to include therein a letter from the Secretary of the Interior.

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

There was no objection.

THE HOUSING BILL

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 9620, commonly called "the housing bill", disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill, as follows:

H.R. 9620

To encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

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

Mr. O'MALLEY. Reserving the right to object, I should like to ask the distinguished Chairman of the Banking and Currency Committee whether there is any prospect of getting

the direct-loan industry bill passed before the adjournment? I should like to see that passed before we vote for an adjournment.

Mr. STEAGALL. I am in full accord with the gentleman, and have reasonable hope and belief that we shall get that up.

Mr. O'CONNOR. Reserving the right to object, I want to ask the gentleman if there has been any change in the low-cost housing proposition?

Mr. STEAGALL. No.

Mr. O'CONNOR. Is there any change as to the restoration by the House of the original title 2 of the bill?

Mr. STEAGALL. There are changes and rearrangement of title 2, but title 2 is still in the bill.

Mr. LANZETTA. Reserving the right to object, has the gentleman any assurance that the low-cost housing proposition will be retained in the bill?

Mr. STEAGALL. I can only say that I do not think that that will be in conference.

Mr. LANZETTA. Will the House conferees insist on that remaining in the bill?

Mr. STEAGALL. I say I do not think that is in conference.

Mr. BROWN of Kentucky. Reserving the right to object, the gentleman's committee has under consideration an amendment to the banking laws which will allow the State banks the same privilege that the Federal banks now have. Is it the intention of the gentleman to bring that bill up?

Mr. STEAGALL. I am not sure about that bill. The Senate has passed practically the same bill, and we are hesitating to consider the House bill until we get the Senate bill, and we may adopt that.

Mr. McFADDEN. Reserving the right to object, what is the intention of the committee in regard to reporting out the so-called "Barkley bill" relating to the affiliates of banks?

Mr. STEAGALL. I am not sure as to what bill the gentleman refers to. I have not examined the Barkley bill, but I do not think it deals with affiliates as inferred by the gentleman. Does the gentleman refer to the omnibus banking bill or to the single matter to which he refers?

Mr. McFADDEN. I refer to the so-called "Barkley bill."

Mr. STEAGALL. That is the bill I had in mind a moment ago in answering the gentleman from Kentucky. That makes a technical revision or rearrangement of the Banking Act of 1933. That bill has passed the Senate, and we hope to get it up in the House.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. PRALL, Mr. LUCE, Mr. BEEDY.

CONDUCT OF BUSINESS BY RECEIVERS

Mr. MONTAGUE. Mr. Speaker, I have been advised that the gentleman from Illinois [Mr. PARSONS], withdraws the objection that he entered a few moments ago to the consideration of the bill H.R. 8544, 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, with a Senate amendment thereto, and I ask unanimous consent for the present consideration of the Senate amendment and to concur in the same.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Line 6, after the word "shall", insert ", from and after the enactment of this act."

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

A motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

ARRESTS BY CERTAIN MEMBERS OF THE DIVISION OF INVESTIGATION

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 9476, to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes, with a Senate amendment and to concur in the Senate amendment.

The SPEAKER. Is there objection.

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 8, after "felonies", insert: "which have been committed and which are."

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in.

A motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

OVERGRAZING AND SOIL DETERIORATION

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report upon the bill H.R. 6462 (Rept. No. 2050), 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, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from Louisiana asks unanimous consent for the present consideration of the conference report which the Clerk will report.

The Clerk read the conference report.

The conference report and statement is 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. 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, 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 amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, and 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 the Senate amendment insert the following: "Nothing in this act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law validly affecting the public lands, and which is maintained pursuant to such law except as otherwise expressly provided in this act, nor to affect any land heretofore or hereafter surveyed which, except for the provisions of this act, would be a part of any grant to any State"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "To groups, associations, or corporations authorized to conduct business under the laws of the State in which the grazing district is located. Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights, as may be necessary to permit the proper use of lands, water or water rights owned, occupied, or leased by them, except that until July 1, 1935, no preference shall be given in the issuance of such permits to any such owner, occupant, or settler, whose rights were acquired between January 1, 1934, and December 31, 1934, both dates inclusive, except that no

permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such permits if such denial will impair the value of the grazing unit of the permittee when such unit is pledged as security for any bona fide loan. Such permits shall be for a period of not more than 10 years, subject to the preference right of the permittees to renewal in the discretion of the Secretary of the Interior, who shall specify from time to time numbers of stock and seasons of use. During periods of range depletion due to severe drought or other natural causes, or in case of a general epidemic of disease, during the life of the permit, the Secretary of Interior is hereby authorized, in his discretion, to remit, reduce, refund in whole or in part, or authorize postponement of payment of grazing fees for such depletion period so long as the emergency exists"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "*Provided further,* That nothing in this act shall be construed or administered in any way to diminish or impair any right to the possession and use of water for mining, agriculture, manufacturing, or other purposes which has heretofore vested or accrued under existing law validly affecting the public lands or which may be hereafter initiated or acquired and maintained in accordance with such law. So far as consistent with the purposes and provisions of this act, grazing privileges recognized and acknowledged shall be adequately safeguarded, but the creation of a grazing district or the issuance of a permit pursuant to the provisions of this act shall not create any right, title, interest, or estate in or to the lands"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: Page 18, line 21, at the end of section 16 insert a colon and add the following: "*Provided, however,* That nothing in this section shall be construed as limiting or restricting the power and authority of the United States"; and the Senate agree to the same.

RENÉ L. DEROUEN,
HARRY L. ENGLEBRIGHT,
J. W. ROBINSON,
G. W. EDMONDS,
DENNIS CHAVEZ,
Managers on the part of the House.
ALVA B. ADAMS,
JOSEPH C. O'MAHONEY,
GERALD P. NYE,
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. 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, 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. 2: Clarifies the language by adding to the amendment "validly affecting the public lands", meaning that the laws in question do validly affect the public domain.

On no. 12: To insure that the permittee complies with the rules and regulations and maintains his permit in good standing to enjoy the benefits of renewal as provided in this section.

On no. 13: Means that the laws in question do validly affect the public domain.

On no. 47: Cannot invade Federal jurisdiction or authority, thus leaving the State laws in full operation.

RENÉ L. DEROUEN,
HARRY L. ENGLEBRIGHT,
J. W. ROBINSON,
G. W. EDMONDS,
DENNIS CHAVEZ,
Managers on the part of the House.

The SPEAKER. Is there objection?

There was no objection.

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

Mr. DEROUEN. Yes.

Mr. RICH. Did the Senate take any action in reference to the dual control of grazing lands so far as the Forestry Bureau having jurisdiction of grazing lands also and the Interior Department? Has there been an agreement on that point?

Mr. DEROUEN. To some degree; yes.

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

Mr. DEROUEN. Yes.

Mr. CARTER of Wyoming. As I understand it, this grazing bill was passed in the House and then the Senate passed the bill with a number of amendments. A few days ago the gentleman came here and asked unanimous consent to concur in a conference report. How does this bill come up here now, when the House and the Senate had already agreed upon a conference report?

Mr. DEROUEN. I introduced a resolution a few days ago asking permission to recall those proceedings, and they were recalled.

Mr. CARTER of Wyoming. Will the gentleman explain why he wanted this bill recalled after the conferees had agreed upon it.

Mr. DEROUEN. There was a legal question which the legal department did not catch until we had agreed. Recalling it was the only way that we could cure the difficulty. We have cured it, and I am bringing here a unanimous report from the House and Senate conferees.

Mr. CARTER of Wyoming. And this is to correct a legal defect?

Mr. DEROUEN. And to include some clarifying language, which came as a result of that.

Mr. CARTER of Wyoming. Will the gentleman explain the new language?

Mr. DEROUEN. Yes; it is on page 6. We changed the language and said:

Except that no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such terms where such unit is pledged as security for a bone fide loan.

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

Mr. DEROUEN. Yes.

Mr. RICH. In our committee we were informed by the Secretary of Agriculture and the Secretary of the Interior that this dual jurisdiction of grazing lands would be put into the hands of one of the Departments, and that the President would see that that was agreed to.

Mr. DEROUEN. The bill authorizes the President to do that.

Mr. RICH. Will the President do it?

Mr. DEROUEN. That is a question which I cannot answer.

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.

EXTENSION OF REMARKS

The SPEAKER. The Chair will recognize any Member who desires to ask unanimous consent to extend his remarks in the RECORD, and to embrace a document, which does not come under the general rule of extensions.

THE PURCHASE OF THE VOLLBEHR COLLECTION

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, in defense of a colleague, against an unfortunate attack, and to include a short newspaper article which explains the attack and retracts it.

The SPEAKER. Is there objection?

There was no objection.

Mr. KVALE. Mr. Speaker, from time to time criticism recurs in uninformed quarters of the action of Congress in providing for the purchase of the Vollbehr collection of 3,000 incunabula—books printed prior to the year 1501 A.D.—and the Gutenberg Bible.

That naturally reacts against the author of and guiding spirit in the enactment of this splendid legislation, our colleague with whom we now regretfully part in order that he may enter the campaign for the Senate. I refer to the Honorable Ross COLLINS of Mississppi, who is voluntarily concluding a 14-year span of unsurpassed usefulness in this body.

It has just been brought to my attention that a newspaper in his own State, the Jackson Daily News, at one time, presumably through lack of information, violently criticized the acquisition of these priceless treasures. My colleagues assure me that this newspaper has an enviable reputation for truth and for accuracy.

That newspaper subsequently was appraised of all the facts, and with a generosity typical of its reputed sense of justice completely reversed itself. In a statement published in its issue of October 18, 1933, it gave a clear and succinct account of the entire transaction, which I shall ask to include as a part of my remarks in its entirety. The paper's statement concludes with this paragraph:

In the light of the above information the News deeply regrets its hasty action in criticizing Representative COLLINS and tenders to him its apology. With the facts before it, it is proud that the Fifth District of Mississippi has a Congressman so deeply interested in the advancement of culture in America and such a true friend of one of its greatest cultural institutions, the Library of Congress.

Like the Jackson Daily News, I feel certain that all critics, when possessed of all the facts, will hasten to applaud an act conceived and executed solely in the interest of the advancement of our country in a cultural sense.

[From the Jackson (Miss.) Daily News, Oct. 18, 1933]

A STATEMENT OF FACTS

In the issues of July 24, August 3, August 11, August 14, September 15, and October 16 of 1932 this paper editorially attacked the purchase by Congress of the Vollbehr collection of incunabula (books printed prior to 1501) and imputed improper motives to the sponsor of the bill providing for the acquisition thereof, the Honorable Ross COLLINS, Member of Congress from the Fifth District. Since then reliable information has come within the possession of the Daily News from which it is clear that Representative COLLINS acted only from the most disinterested and patriotic of motives. Hence the News hastens to tender a complete apology to Representative COLLINS and to print a correct version of the history of this purchase, so as to dispel all doubts of the News' sincerity.

A year before the question of buying the books arose, the collection had been exhibited by Dr. Vollbehr at the Library of Congress, where it excited a great deal of attention. At the time Dr. Vollbehr stated that it was worth $3,000,000, but that he would be willing to sell it for half price, namely, $1,500,000, to any philanthropist on condition that the latter deed it over to the Library. He did not then anticipate that the Government itself would purchase the historic volumes for the Nation.

In other words, he was willing to undergo a financial sacrifice of a million and a half dollars if by that means he could be certain that the priceless material he had so carefully gathered would be deposited in the world's greatest library where it would be available to scholars and would be adequately preserved for posterity. And the statement that the incunabula, which the News in an unguarded moment spoke of as "a bunch of musty books of no value to anybody", were really worth three million was fully substantiated by the experts. In fact, E. Paul Saunders, writing in the Saturday Review of Literature, stated as an argument for their purchase that "Dr. Vollbehr valued his collection at $3,000,000 with other qualified experts boosting the figure by as much as $2,000,000 in their appraisals."

Hearing about this offer and knowing that the Librarian of Congress, Dr. Herbert Putnam, had completed 30 years of distinguished service, Representative COLLINS deemed it eminently appropriate for Congress to acquire the collection for its National Library as a fine tribute to Dr. Putnam, especially as in doing so advantage would be taken of a remarkable opportunity to secure a cohesive group of ordinarily unprocurable volumes. Hence he introduced a bill in the House of Representatives on December 3, 1929, authorizing the purchase of 3,000 incunabula and the Gutenberg Bible on vellum for $1,500,000. It may be mentioned at this point that the final price paid was this sum and not $2,500,000, as stated previously by the News. A little later Representative COLLINS learned that Dr. Vollbehr had in his possession 1,500 additional items and so hastened to amend his bill to cover these latter rarities. However, it developed that they were part of a collection that Dr. Vollbehr had begun to assemble subsequent to the completion of the gathering of the 3,000 volumes he was offering for sale. These he was not willing to forego for the purchase price, so that the attempt to have them included was abandoned. It was on a visit to explain this to Representative COLLINS that Dr. Vollbehr first met the former.

At first the idea of spending a large sum of money on books seemed fantastic, as the Government had never spent anywhere near that amount for such a purpose at any one time, and it was freely predicted that there was no chance for the bill to pass. However, when book lovers throughout the country heard about the proposition sentiment began to crystallize, and an avalanche of letters descended upon Representative COLLINS, the chairmen of the Library committees of the House and Senate, and the leaders of Congress urging its approval. Not only were the bibliophiles aroused but leading churchmen also became interested, among them Bishop William F. McDowell of the Methodist Episcopal Church, Bishop James Freeman of the Episcopal Church, and many other distinguished churchmen. Even citizens in far-off Texas and California, solicitous of their country's cultural interests, heartily endorsed the bill. Typical of the viewpoint of the Nation's leaders was the statement of the Honorable Elihu Root: "I strongly hope that this (the Vollbehr collection) may be obtained for the Library of Congress." Other prominent men who expressed their support of the bill were Owen D. Young, Newton Baker, Gov. Franklin Roosevelt, Maj. Gen. Henry T. Allen, Maj. Gen. M. W. Ireland, the Surgeon General of the United States Army, Judge Finis J. Garrett, former Democratic leader, Dr. Julius Klein, Dr. Harvey Cushing, the distinguished historian and political scientist, Dr. Charles A. Beard, and President Lovett, of the Rice Institute of Houston. Nor was the press inactive.

Favorable comments appeared in the Public Ledger (Philadelphia), Chicago Evening Post, Philadelphia Inquirer, Evening Star (Washington), Sunday Record (Columbia, S.C.), the Call (Paterson, N.J.), Library Journal (New York), Post-Dispatch (St. Louis), Saturday Review of Literature, New York Times, Christian Science Monitor, Washington Herald, United States Daily, Washington Post, New York World, Houston (Tex.) Press, the Churchman (New York), Evening Transcript (Boston), Winston-Salem (N.C.) Journal, Mobile (Ala.) Register, Miami (Fla.) News, Minneapolis News, New York Tribune, Herald Examiner (Chicago), Hartford (Conn.) Courant, Evening German Herald, Brooklyn Eagle, Publishers' Weekly (New York), New York Herald, Printing (New York), Kansas City Press, and in other papers and magazines.

Hearings were held on the bill at which distinguished librarians and scholars testified and united in urging the acquisition of the rarities. So strong was the demand for the passage of the bill that it was reported out and passed unanimously by the House. From there it went to the Senate, where Senator Bingham already had taken up the cudgels in behalf of the purchase by introducing similar bills, and, following further hearings, was again reported out. The Senate followed the action of the House and passed the bill by a unanimous vote. It remained only for the President to sign the bill, and when that was done the United States was assured that it would become the proud possessor, through the action of a far-sighted Congress and the generosity of Dr. Vollbehr, of one of the greatest collections of incunabula in the world.

In the light of the above information, the News deeply regrets its hasty action in criticizing Representative COLLINS and tenders to him its apology. With the facts before it, it is proud that the Fifth District of Mississippi has a Congressman so deeply interested in the advancement of culture in America and such a true friend of one of its greatest cultural institutions, the Library of Congress.

STATEMENT OF THE STATUS OF CASES FILED BY THE FIVE CIVILIZED TRIBES AGAINST THE GOVERNMENT UNDER JURISDICTIONAL BILLS PASSED IN PRIOR CONGRESSES

Mr. DISNEY. Mr. Speaker, I desire to ask unanimous consent to extend my own remarks and to set out in the RECORD a complete statement of the status of cases filed by the Five Civilized Tribes against the Government under jurisdictional bills that were passed in prior Congresses.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. DISNEY]?

There was no objection.

Mr. DISNEY. Mr. Speaker, I have had many inquiries as to the status of the suits filed as a result of the jurisdictional bills enacted, which permitted the tribes of the Five Civilized Indian Nations in Oklahoma to bring suits against the Government of the United States in the Court of Claims, with the right of appeal to the Supreme Court upon such claims as the tribes might have against the Government.

The suits heretofore referred to have been filed accordingly in the Court of Claims on behalf of the respective tribes.

It should be understood that the Congress has done everything it can do until the suits have been tried and finally determined, and then it devolves upon the Congress to make appropriations according to the judgments rendered by the courts. Until the courts have spoken, Congress has done all possible in favor of these Indians.

Recently one of these judgments was finally determined by the Court of Claims, and the Creek Indian Tribe, as a result, is entitled to $149,000, or approximately $5.60 per capita. At the moment these remarks are being made in Congress this item is in the deficiency bill, placed there on motion of Congressman W. W. HASTINGS of the Second Oklahoma District, who has been untiring in his efforts in behalf of the Indians. No doubt this item will become a part of the final appropriation under the deficiency bill.

Letters in the nature of reports as to these suits are as follows: Shortly summarized they consist of a letter from ex-Senator Robert L. Owen, who is counsel in some of the suits; a letter and report from Hon. Frank J. Boudinot, attorney of record in Cherokee suits; a letter from the clerk of the Court of Claims; a letter from the Assistant Commissioner of Indian Affairs, William Zimmerman; a letter from William L. Hart, clerk of the Court of Claims; a letter and report as to the status of Choctaw and Chickasaw cases in the Court of Claims from W. F. Semple, formerly chief of the Choctaw Nation and now counsel for the Choctaws and Chickasaws; a letter and report from Ralph H. Case, Frank K. Niebeker, and C. C. Calhoon, all attorneys of record in these cases; as well as a report by Hon. Houston B. Tehee, ohce Registrar of the Treasury but now counsel in these cases.

It is a matter of interest and therefore of comment that practically all of the attorneys of record in these cases are either Indians or of Indian descent, notably ex-Senator Robert L. Owen and Hon. William F. Semple, as well as Houston B. Tehee and Frank J. Boudinot, all brilliant lawyers.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., December 11, 1933.

Hon. ROBERT L. OWEN,
Wardman Park Hotel, Washington, D.C.

MY DEAR SENATOR: I have many inquiries about the Cherokee Indian claims, the cases in which you and Mr. Tehee represent the claimants.

I wonder if you will not give me a short letter as to the status of these cases now, so that I may have the information with which to answer inquiries.

Sincerely yours,

WESLEY E. DISNEY.

DECEMBER 15, 1933.

MY DEAR DISNEY: Petitions were filed by Tehee and myself in the cases a year ago, but the United States attorney refuses to act until the United States General Accounting Office makes a final report on possible "gratuities." They say they cannot complete this report until next April. Until then we cannot proceed. I have requests for proceedings ready.

Sincerely yours,

ROBERT L. OWEN.

WASHINGTON, D.C., *June 14, 1934.*

Hon. W. E. DISNEY,
Washington, D.C.

DEAR SIR: Agreeable to your request of the other day, I am enclosing herewith a report on the Cherokee Indian claims, which you advised me you desired to have placed in the CONGRESSIONAL RECORD. I am spending all of my time on these cases, working with my assistant counsel.

Sincerely yours,

F. J. BOUDINOT.

WASHINGTON, D.C., *June 13, 1934.*

To the Cherokee People in Oklahoma:

Report showing the present status of suits on claims against the United States now pending in the Court of Claims at Washington.

There are two separate jurisdictional acts under which the Cherokees have filed suits against the United States, to-wit:

1. Act approved March 19, 1924, authorizing suits by the Cherokee Nation, etc.

2. Act of April 25, 1932, authorizing suits by Eastern or Emigrant Cherokees and/or Western or Old Settler Cherokees.

Under the first act, 9 suits have been filed, in all of which the Cherokee Nation is party plaintiff and the United States party defendant, as required by the act, viz:

H–47, Clifton Roll case, Frank K. Nebeker, attorney of record.

J–8, Too Late Baby case, Ralph H. Case, attorney of record.

K–17, Freedman case, C. C. Calhoun, attorney of record.

L–46, Trust Fund case, Ralph H. Case, attorney of record.

L–174 (a), Eastern Cherokee case, Frank J. Boudinot, attorney of record.

L–174 (b), Old Settler case, Frank J. Boudinot, attorney of record.

L–257, Land Shortage case, Frank J. Boudinot, attorney of record.

L–266, Outlet West 100° case, Frank J. Boudinot, attorney of record.

L–267, Intruder and IW case, Frank J. Boudinot, attorney of record.

L–268, General Accounting case, Ralph H. Case, attorney of record.

Under the second act 5 suits have been filed, to-wit:

No. 42077, Eastern or Emigrant Cherokee case, H. B. Teehee, attorney of record.

No. 42078, Western or Old Settler Cherokee case, Robert L. Owen, attorney of record.

(The claims sued on in these two cases are identical in every respect with the two claims asserted, respectively, in L–174, supra.)

These two claims are called "interest cases."

No. 42079, Too Late Baby case; Teehee and Owen, attorneys of record (this claim is practically the same in J–8, supra).

No. 42080: Outlet West of 100° case; Teehee and Owens, attorneys of record (this claim is practically the same in L–266, supra).

No. 42081: Freedman case; Teehee and Owen, attorneys of record (this claim is practically the same in K–17, supra).

Up to quite recently it has been impossible for us to proceed more rapidly in the prosecution of any of the suits filed, because the Government's audit had not been completed. That audit is now finished; we may now go ahead and get the cases ready for trial.

The Government's audit, or accounting, was finally completed April 6, 1934.

The first suit filed under the act of 1924—H–47, Clifton Roll case—is about ready for final trial on its merits. We claim in our petition the sum of $463,803.36 with interest. The Government's report shows that the claim should be for $313,123.29, instead, with interest.

There seems to be no reason to doubt that this suit will be tried and finally decided next fall. Mr. Frank K. Nebeker, a former Assistant Attorney General of the United States under the Wilson administration, is attorney of record in this suit; and he believes we will win. The claim is for money paid by the Government to Negroes who were never "Cherokee Freedmen" but State Negroes.

K–17, our Freedman case, was dismissed on demurrer by the Government's attorneys. We filed a motion for a rehearing and leave to file an amended petition. This motion is set for argument at the fall (1934) term. We cannot proceed further with this case until that motion is disposed of. C. C. Calhoun, attorney of record.

J–8, Too Late Baby case: The defendant also demurred to this petition. The demurrer was overruled last January 8 (1934). We expect to have this case ready for trial also next fall. Ralph H. Case is attorney of record in this suit.

Petitions based on the last two claims (K–17 and J–8) have been filed by Teehee & Owen under the act of 1932 for the Eastern, or Emigrant, and Old Settler Cherokees (that is, for the Cherokees by blood), case no. 42079 and case no. 42081. No demurrers have been filed to these petitions. Mr. Teehee has prepared requests for findings of fact in these two suits; I am advised that they intend to bring the suits to trial this coming term of court which will begin next October.

L–46 and L–268 are both General Accounting cases: There is nothing in these cases but figures—a proper statement of payments or failure to pay undisputed moneys due. The Government's audit will speak for us in these suits—there will be no argument. Mr. Case is attorney of record, is thoroughly familiar with the facts now that the Government's audit is finished, and he feels confident that we shall win substantial sums in both suits. We expect, also, to bring these suits to final determination next term of court.

L–257, Land Shortage case: This claim is for the value of 575,000 acres of land (round numbers), bought from the United States and paid for, which in some manner unknown to us has not been accounted for. I, Frank J. Boudinot, am attorney of record in this suit. We expect to bring this case to determination at the next term of court.

L–266, Outlet West of 100°: The claim is for the value of 4,000,000 (round numbers) acres of land, now comprising Texas, Beaver, and Cimarron Counties, Okla., owned by the Cherokees by blood as an "outlet." We have the request for findings of fact in this suit ready for printing. It, too, will, we trust, be finally decided during the next term of the court.

Teehee & Owen, as attorneys for the Cherokees by blood (Eastern or Emigrant and Old Settler Cherokees), have filed suit on this same claim (no. 42080).

L–267. Intruder and Intermarried White case: I am attorney of record in this suit. The claim is for moneys paid to intruders for their improvements (paid on condition that they leave the farms they were occupying, and where they got the money and

did not leave), and moneys paid to about 200 intermarried white persons and to which payment they were not entitled under a decision of the Supreme Court of the United States. This claim has some complications; it will require some additional time and evidence. However, the suit will be pressed for trial and decision as rapidly as circumstances will permit.

L–174. The interest cases: I am attorney of record in this suit also. The suit was filed before the enactment of the act of April 25, 1932, by the Cherokee Nation for the benefit of the Eastern and Western Cherokees, respectively. Since the passage of that act Messrs. Owen and Teehee have filed suits on the same claims for the real parties in interest in their own names. Their requests for findings of fact and briefs have been printed and filed in the Court recently. The old settler claim is for $1,000,000 (round numbers). The Eastern Cherokee claim is for $5,000,000 (round numbers). This claim will undoubtedly be disposed of early next fall. Of course, I shall continue to do whatever I may properly do to aid in the winning of these claims, but since the real beneficiaries are now in court themselves I am not sure I may ethically do more than help and advise in a friendly way. My associate attorneys (Cherokee Nation's attorneys under the act of 1924), do not apparently agree with my view as to our position with regard to these two suits, but there is no unfriendliness—we all of us wish to win the claims for the Cherokee owners, and we will cooperate to that end. All three suits, L–174, no. 42077, and 42078 will be tried and determined at the same time.

I cannot close this report without saying a word about the recent voluntary retirement of our fellow Cherokee, Hon. W. W. HASTINGS. To Mr. HASTINGS must, in all honesty, be accorded the credit for making it possible for us, and the other four civilized tribes for that matter, to have our last day in court for a final settlement of all unadjusted claims we may have against the Government under treaties, laws, agreements, etc. We have lost, for a time at least, the man who for almost 20 years has been our best friend in Congress, the man who has been the ablest and most intelligently successful supporter of every one of our proper contentions at all times since he became a Member of Congress in 1914. He has done more for the advancement of the education of our young people than any other man ever did. Personally, I sincerely regret that Mr. HASTINGS will not be here in the next Congress, because our work is not finished and we will miss him then.

However, we have in the House of Representatives another able Congressman now representing the First Oklahoma District, which includes a large portion of our former nation and thousands of Cherokees—Hon. WESLEY E. DISNEY, of Tulsa. I have known Mr. DISNEY personally and intimately for about 25 years. I know him to be our friend, able, well informed, and thoroughly acquainted with our affairs and contentions and absolutely dependable at all times. Personally, again, I would like to see Mr. DISNEY returned as a Member of the next Congress.

Very sincerely, your fellow Cherokee,

FRANK J. BOUDINOT.

TULSA, OKLA., *December 18, 1933.*

In re status of Choctaw and Chickasaw cases in the Court of Claims.

Congressman WESLEY E. DISNEY,
House Office Building, Washington, D.C.

MY DEAR CONGRESSMAN: I have your letter of December 11, in which you request to be advised as to the present status of the cases pending in the Court of Claims in which the Choctaw and Chickasaw Nations are plaintiffs.

In reply thereto, I wish to say that our last report to the principal chief bears date of December 5, 1933, and I am sending a copy of the same for your files.

With kindest regards and best wishes I am,

Yours very truly,

W. F. SEMPLE.

DECEMBER 5, 1933.

In re report of special attorneys for Choctaw Nation.

Hon. BEN DWIGHT,
Principal Chief of Choctaw Nation, Durant, Okla.

DEAR SIR: Pursuant to the terms of contract entered into with William H. Harrison, principal chief of the Choctaw Nation, we beg to submit the following report with reference to the present status of the cases pending in the Court of Claims in which the Choctaw Nation is plaintiff.

1. In case no. F–181, styled *Choctaw and Chickasaw Nations* v. *United States*, the nations have involved the claim for compensation for lands allotted to freedmen minors and lands filed upon as preferential filings by freedmen of the Choctaw and Chickasaw Nations. All testimony has been taken in this case and the reports of the departments have been completed and briefs are in the hands of the printer, but have not been printed. The total amount involved in this case is $525,508.81, and so far as the nations are concerned we expect to have briefs filed with the court within 30 days. After our brief is filed the Department of Justice will have the time allowed by the rules of the Court of Claims within which to file answer brief and the case in all probability go on the docket for oral argument before the court within the next 6 months.

2. In case no. F–182, styled *Choctaw Nation* v. *United States*, involving $175,000 paid Senator Owens on fee for services to the Mississippi Choctaws, all testimony has been taken and the record has been completed, including filing of all reports from the Department of the Interior and Accounting Office. Brief has been prepared by the Choctaw Nation and is in the hands of the printer, and we expect our brief to be filed in the office of the clerk of the Court of Claims within the next 30 days.

3. In case no. H–37, styled "*Choctaw and Chickasaw Nations* v. *United States*", the taking of testimony has been completed and the record has been made up and all reports from the Department have been filed and we have prepared brief on the claim involving Mississippi per capita payments amounting to approximately $2,000,000. A severance has been ordered in this case and the three different matters are separately treated and have been briefed separately. Our brief as to Mississippi Choctaws has been filed for about 30 days and we expect to have answer brief from the Government at an early date. In that part of the case involving original Choctaw freedmen, you are advised that we are briefing this case at this time and expect to have our brief ready to go to the printer within the next 60 days. A considerable amount of testimony has been taken in this case and the reports from the Department of the Interior, cover about 2,500 pages of typewritten matter. As to that part of the case involving claims for compensation by reason of the sums due from the railroads, we have not taken any further testimony and the case has not been briefed, but will be given attention as soon as we can get to it. That part of the case relating to the original Choctaw freedmen is being actively worked on at this time. It involves a claim for $2,883,620 and we are trying to get it up to the court as one of our first cases.

4. In case no. J–231, styled *Choctaw Nation* v. *United States*, involving claim for $468,000, wish to say that the record in this case has been made up and all reports from the Department have been filed and brief of plaintiff has been served upon the Department of Justice. We are waiting to hear from the Department of Justice with answer brief and expect to be able to get this case on the docket in the Court of Claims at an early date. It involves arbitrary apportionment of tribal funds on basis of one-fourth to the Chickasaws and three-fourths to the Choctaws, and the Choctaw Nation contends in this case it was entitled to more than three-fourths and that under the treaties tribal funds should have been apportioned on a per capita basis without regard to tribal enrollment in which event, Choctaws, according to our contention, would have received 76.74 percent and the Chickasaws 23.6 percent of the common fund amounting to more than $34,000,000. We are trying to get this case up to the court at the earliest possible date.

5. In case of *Choctaw and Chickasaw Nations* v. *United States* (no. J–619), involving the alleged balance of $85,000 due upon the leased-district country, we wish to say that we dismissed this case in the Court of Claims some time ago. We proceeded upon the assumption that it would be unwise to insist upon this claim in view of the fact that we were contending that no consideration had been paid for the leased district or that no consideration had passed to the nations for the lands allotted to the Choctaw freedmen.

6. In the case styled *Choctaw Nation* v. *United States* (no. K–281), the Choctaw Nation sued for $1,162,000, alleged to be due for fees paid the law firm of Mansfield, McMurray & Cornish and other citizenship matters. We proceed on the theory that the fee of $750,000 paid the above firm was without treaty authority and in violation of a specific contract providing for a maximum fee of $250,000. We take the position that the expenses involved in this case were illegally paid from the tribal funds and that we are entitled to be reimbursed for the same. The attorneys for the Chickasaw Nation did not join with us in this case. We are ready to brief this case and it is receiving attention at this time. We were delayed in getting this case ready for trial because of the fact that a great many of the items challenged by this suit were involved in the report to be filed in the General Accounting case.

7. In the case styled *Choctaw Nation* v. *United States* (no. K–260) the Choctaws seek to have an accounting on all matters in which the Federal Government has had the responsibility of disbursing tribal funds or in which any financial transactions are involved. The report filed by the General Accounting Office covers 888 pages of typewritten matter and is a very exhaustive statement of tribal financial transactions. It has been completed within the last 6 months and it covers the period from June 1898 to June 30, 1929, and accounts for receipts and disbursements totaling $34,470,650.27. It will be some time before we will be able to try this case, as it involves many complicated transactions, but we are pressing our investigations as rapidly as possible and expect to get this case ready for trial as soon as possible, but it is not likely that it will be reached within the next year.

8. In no. L–261, styled *Choctaw and Chickasaw Nations* v. *United States*, we sought to recover for grounds taken by the different railroads for station grounds and this case has been argued in the Court of Claims and final judgment rendered against the nations. We submitted this case upon demurrer and the Court of Claims wrote the first opinion construing our jurisdictional bill, and, in fact, the first opinion dealing with the scope of the five tribes' jurisdictional bills, and we feel that while we lost this case we have succeeded in getting an interpretation of our jurisdictional bill. The amount involved was indefinite and uncertain and we had never entertained the hope of recovering any substantial sum in the case in any event.

9. In the case of *Choctaw and Chickasaw Nations* v. *United States* (no. J–260) the nations sue jointly for breach of treaty provisions looking toward a sale of coal lands. A great deal of testimony has been taken in this case by the plaintiffs and we have tried to get the record printed by the Government, but it has not

yet been printed. We are suing for $8,830,015 and some of the reports are still due in the case. We expect it to be reached on the docket after several other cases, which are now being briefed, and we cannot make any very definite statements as to when it will be reached. We expect to press it for trial as vigorously as possible and believe we have stated a good cause of action against the Government.

10. In the case of *Choctaw Nation* v. *United States* (no. K–187) the nation seeks to recover judgment for about $1,000,000 spent by the Department on schools in the Choctaw Nations. We contend that the schools were run in violation of treaties and that children not on the rolls and persons who were enrolled as Mississippi Choctaws were given school benefits without authority of law and contrary to treaty stipulations. The reports are in on this case and it will be reached as soon as we can get it up to the court for hearing. We are still compiling data on behalf of the plaintiff and feel that we are entitled to a judgment in this case. It is probable that our judgment, if we are sustained on the questions of law, will be for a much larger sum than the amount set out in the petition.

11. We filed case no. L–253 styled "Choctaw and Chickasaw Nations to cover amounts due on coal royalties", but it is likely that we will cover the matters involved in this case in the trial of the accounting case.

In conclusion, we wish to advise that the filing of the report of the General Accounting Office has cleared up our situation to the extent that we may now go ahead with the trial of our cases and they will be reached and disposed of just as expeditiously as is practicable under the circumstances. We are giving the cases active attention and will get three additional briefs filed in the Court of Claims within the next 30 days.

Yours very truly,

W. F. SEMPLE,
Tulsa, Okla.

———— ————,
Ardmore, Okla.

CREEK NATION CASES

There is now pending claims filed on behalf of the Creek Nation as follows:

1. F–205. Creek-Oklahoma boundary case: On March 13, 1933, the Court of Claims rendered judgment in favor of the Creek Nation for $86,823.19. The United States appealed this case to the Supreme Court, and the questions will be argued in that court this fall.

2. F–369. Railroad reservations case: Involving the right of the Creek Nation for payment for lands used for rights-of-way. This case is awaiting a report from the Interior Department.

3. F–373. Erroneous enrollment case: Involving duplicate and fraudulent enrollments. A report from the Interior Department has been filed, and this case is awaiting a supplemental report from that Department.

4. H–510. Accounting cases. On December 4, 1933, the Court of Claims rendered judgment in favor of the Creek Nation for $144,106.01. This is a final judgment.

5. L–78. School case, involving expenditure of Creek funds for education of children not on Creek rolls. This case is awaiting a report from the Interior Department.

6. L–136. Building case, involving the failure of the Secretary of the Interior to sell buildings, property, etc., of the tribe. This case is awaiting a supplemental report from the Interior Department.

7. L–137. Town-lot frauds case. This case is awaiting a report from the Interior Department.

8. L–205. Creek-Seminole boundary, involving intrusion on 2,397.71 acres of Creek land.

9. L–206. Creek attorney fee case, involving $270,283.71, part of the proceeds of sales of Creek lands under the act of March 1, 1889 (25 Stat. 757). This case is awaiting a report from the Interior Department.

10. L–234. River beds case, involving the right of the Creek Nation to minerals in the river beds. The report of the Interior Department on this case has been received, and the case being prepared for trial.

11. L–263. A general claim for any amounts due the Creek Nation under its trust relations with the United States. This petition will be amended as soon as the investigations of Creek matters is completed.

12. L–232. Unclaimed money petition, involving the right of the Creek Nation to property of its members who are deceased without leaving heirs. This case is awaiting a report from the Interior Department.

SEMINOLE NATION CASES

There is now pending claims filed on behalf of the Seminole Nation as follows:

1. L–51. Accounting case: This case is being prepared for trial, and will probably be tried this fall.

2. L–87. This case involves the mismanagement of the $500,000 Seminole school fund and the failure of the Secretary of the Interior to sell buildings, property, etc., of the tribe. This case is awaiting a report from the Interior Department.

3. L–88. Railroad reservations case, involving the right of the Seminole Nation for payment for lands used for rights-of-way. This case is awaiting a report from the Interior Department.

4. L–89. Seminole Freedmen case, involving the right of persons of African descent to Seminole tribal property. The court sustained a demurrer to the petition in this case. An amended petition was filed, and the United States filed a demurrer to this petition. Argument on this demurrer will be made early next fall. Messrs. Frank Boudinot and C. C. Calhoun are handling this matter for the Seminole Nation.

5. L–123. School case, involving expenditure of Seminole funds for education of children not on Seminole rolls. This case is awaiting report from the Interior Department.

6. L–207. Seminole town lots case, involving illegal sale of town lots. This case is awaiting report from the Interior Department.

7. L–209. This case presents various miscellaneous claims. This case is awaiting report from the Interior Department.

8. L–231. Unclaimed money petition, involving the right of the Seminole Nation to property of its members, who are deceased without leaving heirs. This case is awaiting a report from the Interior Department.

9. L–233. Seminole mineral rights case, involving the right of the Seminole Nation to minerals reserved to the tribe by the Seminole Agreement and the Curtis Act. This case is awaiting a report from the Interior Department.

10. L–262. A general claim for any amounts due the Seminole Nation under its trust relations with the United States. This petition will be amended as soon as the investigations of Seminole matters is completed.

11. L–208. Erroneous boundary survey of west line of Seminole National domain, excluding 11,550.54 acres of land belonging to the Seminole Nation; also for the value of Wewoka Mission School property which was built on Creek Nation lands because of an erroneous survey of the east line of the Seminole national domain.

Mr. E. J. Van Court, of Eufaula, Okla., is attorney of record in all of the above-listed cases, and Mr. P. M. Niebell, of Washington, D.C., is his assistant. All of these cases have been prepared for trial, for plaintiff, and will be tried as soon as reports are received on these cases.

MY RECORD IN THE SEVENTY-THIRD CONGRESS

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD concerning my record in the Seventy-third Congress, and to include some excerpts from bills and resolutions which I have introduced.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'MALLEY. Mr. Speaker, under permission to extend my remarks, I am taking this occasion to give an accounting of my stewardship in the eventful 2 years that have just passed. I have tried, since taking my seat in this body, to have a keen appreciation of the responsibility of representing the constitutional rights of upward of 300,000 people. I have endeavored to be guided by the principle of conduct so ably set forth by the brilliant Edmund Burke in 1774, when, in reporting to his constituency, he enunciated his rule for a Representative in a Democratic legislative body, which is summarized in the following extract from his speeches to his constituency:

> It should be the glory as well as the honor of a Representative to live in the strictest union, the closest correspondence, the most unreserved communication with his constituents. Their wishes should at all times have great weight with him, their opinions high respect, their business his unremitted attention. But his mature opinion, his unbiased judgment, his enlightened conscience he should not surrender to any men or set of men. These he does not derive from the law or the Constitution. They are the gift of Providence for the use of which he is deeply responsible.

With the exception, I believe, of the few occasions when illness prevented my attendance, I have been present and voting on all major legislation as well as being constantly in attendance during those days of the session when minor legislation was under consideration. I have voted my convictions after considered thought and study, and have refused to be a rubber stamp or vote blindly for any legislation. I have tried to oppose bad legislation as vigorously as I have supported good legislation, regardless of which side of the House, majority or minority, the legislation came from. Those measures introduced by me, some of which have passed and some of which remain upon the calendar of unfinished business, have been introduced with a sincere desire to remedy particular conditions which have brought distress, unemployment, and unfair taxation on our people. All the legislation introduced by me that has reached the floor of the Congress has been passed and I am particularly gratified that, when charged with the responsibility of sponsoring in the House the O'Malley-Johnson bill for a new deal in Indian affairs, a measure endorsed by the

administration, I was successful in obtaining passage for it in the House, and it has been signed by the President.

In an effort, however, to make this summary of my record as brief as possible I make the following digest of my acts and votes in both sessions of the Seventy-third Congress. I voted for and supported the following legislation in the special session:

1933 SPECIAL SESSION

Voted for the Emergency Bank Act to open the closed banks of the Nation and restore the confidence of our people in the banking structure.

Voted for and spoke in behalf of the legalization of beer.

Voted for the Farm Mortgage Relief Act.

Voted for the reduction of postage rates amendment to Revenue Act of 1932.

Voted for the Unemployment Relief Act.

Voted for the Muscle Shoals and Tennessee Valley development by Government.

Voted for the impeachment of Federal Judge Lowell, of Massachusetts, whose disregard of duty resulted in the release of a confessed criminal and murderer of a former citizen of my district.

Voted for the creation of the Home Owners' Loan Corporation with relief for distressed home owners.

Voted for the expansion of currency amendment known as the "Thomas Act" of the agricultural relief measure.

Voted for the cost of production for agricultural products amendment, which passed the Senate but was defeated in the House.

Voted for an investigation into the motion-picture industry in the interests of clean, decent pictures.

Voted for the Public Works and Industrial Recovery Act providing for employment through Government building and the N.R.A.

Voted for the act to insure uniform value for the coins and currencies of the United States.

In the same special session I voted against and opposed the following measures:

Voted against the so-called "economy bill", which repealed all veterans' legislation subsequent to the Civil War and which was steam-rollered through the House without a copy of the bill for any Member to read before the vote was taken.

Voted against press censorship bill, which was repudiated by the administration a few minutes after it had passed the House and was pigeonholed in the Senate.

Voted against the first bill introduced in the House prohibiting exportation of arms to warring countries because bill as written permitted the United States to designate aggressor nations, thus involving us in foreign disputes. Amended measure providing for ban on exportation of arms to any and all warring countries voted for by me.

Voted against bill to give State of New York prior claim to power generated on St. Lawrence waterway project.

Voted against releasing claims of the United States Government against the Teapot Dome oil thieves.

Voted against amendment to House rules which would compel Membership to vote for omnibus bills containing different kinds of legislation rather than vote separately upon each individual item of legislation.

Voted against bill to permit Reconstruction Finance Corporation to buy stock and securities of casualty and indemnity insurance companies in financial difficulties.

Voted against amendment to Federal Highway Act reapportioning road funds on basis of population instead of area of States and mileage of roads. Passage of this amendment would have cut Wisconsin's apportionment of road funds $2,000,000, but amendment was defeated in the Senate.

Voted against sales-tax amendment to public works bill providing for 2½-percent tax on all products purchased by consumers.

Voted against repeal of home rule for Territory of Hawaii.

Voted against all gag rules brought before House in this session, the effect of which, when passed by a Membership, was to prevent any amendments to legislation and restrict debate.

During the regular session of the Seventy-third Congress, which convened January 3, 1934, my voting record was as follows:

1934 REGULAR SESSION

Voted for the act to devaluate gold to protect the currency system of the United States.

Voted for additional appropriations for Federal relief and continuance of the civil-works program.

Voted for the Revenue Act of 1934, which revised the income-tax laws in many features.

Offered amendment to Liquor Tax Act to reduce beer tax from $5 to $3 per barrel.

Voted for the bill to authorize the Postmaster General to let new contracts for carrying mails by air by private companies.

Voted for the motion to discharge the Ways and Means Committee from further consideration of the bill to provide for immediate payment of the veterans' adjusted-service certificates.

Voted for the bill to pay the veterans' adjusted-service certificates.

Voted to accept Senate amendment to independent offices bill restoring Spanish War and disabled World War veterans' benefits.

Voted for the Dies silver bill, which provided for sale of surplus American agricultural products to foreign buyers for silver and the issuance of silver certificates.

Voted to pass the Independent Offices Appropriation Act of 1935 over the veto of the President.

Voted for the amendment to the Tariff Act of 1930 providing for the making of reciprocal tariff agreements by the President.

Offered amendment to tariff act to protect Americans from flood of foreign-made goods made in foreign branch factories of American companies.

Voted for the bill to guarantee by the Government the bonds of the Home Owners' Loan Corporation.

Voted for bill to provide for payment of flood-control work in Mississippi Valley.

Voted for acceptance by House of conference report on Revenue Act of 1934.

Offered preferential motion to adopt Senate amendment providing for 10-percent emergency recovery tax on large incomes.

Voted for the National Securities Exchange Act, commonly known as the "stock-exchange regulation bill."

Voted for bill to increase employment by providing funds for emergency construction of public highways and related projects.

Voted for bill to authorize Secretary of Treasury to purchase silver and issue silver certificates.

Voted in favor of amendment to Agricultural Adjustment Act exempting hogs from processing-tax requirements, with limitation of 2,000 pounds.

Voted for Indian self-government bill.

Voted for investigation of tin monopoly and control of prices by special congressional committee.

Voted for bill authorizing the deportation of habitual criminals and to guard against the separation from their families of aliens of noncriminal classes.

Voted for investigation of petroleum industry.

Voted for extension of insurance on bank deposits.

Voted for the Vocational Education Act.

Voted for bill to prevent interference of Federal courts with State courts and utility regulatory commissions and matters affecting rate cases entirely within the States.

Voted for the guaranty of farm-loan bonds.

Voted for the Norris resolution to prevent public officeholders from using their positions to control elections and nominations.

Signed petition to bring out McLeod bill for relief of depositors in closed banks.

Voted for depositor's relief amendment to Banking Act.

Voted for investigation into frauds in real-estate bonds, having sponsored resolution for such investigation in March 1933.

Voted for the National Housing Act.

Voted for embargo on the sale and shipment of arms and munitions of war in the South American Chaco conflict.

Voted for Johnson bill forbidding loans to foreign nations in default on their war debts.

Voted for United States participation in the World's Fair.

Voted for the Railway Workers' Retirement Pension Act.

Voted for amendments to Railway Labor Act providing for prompt disposition of disputes between carriers and their employees.

Voted for Wagner labor disputes law as revised and approved by the administration.

Voted for a bill to amend the bankruptcy laws to enable farmers and distressed farm home owners to receive relief under the law for their mortgage indebtedness.

Voted for the bill to provide compensation for widows and children of veterans who died as a result of disabilities incurred in active service in the World War.

Voted for the bill establishing a Federal system of credit unions providing for small loans to wage earners.

During the regular session I voted against and opposed all gag rules preventing amendments to any appropriation and other bills by Members of Congress during the regular session of the Seventy-third Congress.

Voted against appropriation bill to provide for the establishment of a Federal furniture factory.

Voted against any further extension of authority for the United State to accept securities from Federal Reserve banks for the issuance of currency by the banks.

Voted against bill to give authority to Interior Department for control of all grazing lands.

Voted against establishment of foreign-trade zones in United States ports to enable foreign-made goods to be landed in our ports duty free until sold to American consumers.

Voted against census bill providing for an expenditure of $8,000,000 from relief funds for taking census of unemployed in November 1934.

Voted against bill appropriating $23,000,000 as a gift to the Philippine Islands for difference in ratio of value between Philippine currency and American currency since Gold Devaluation Act was passed.

Voted against further extension of the Inland Waterways Corporation powers and authority for operation on Columbia and Snake Rivers.

Voted against resolution providing United States entry into the international labor organization of the League of Nations at Geneva.

LEGISLATION INTRODUCED

During my service in the two sessions of Congress I introduced the following legislation: House Joint Resolution 155, the purpose of which, as described in the resolution, provides that the Congress cannot conscript persons for military service without at the same time conscripting wealth and industry for service during the war period without payment or profit.

House Joint Resolution 161, providing for a 50-percent emergency tax, to carry on the recovery program, on the profits of American manufacturers made in plants operated in foreign countries.

I sponsored and introduced the legislation known as "House Joint Resolution 257", providing for a new method of handling the Indian affairs, and, as a member of the Committee on Indian Affairs, was successful in obtaining the passage of this resolution. This measure is now a law signed by the President.

As a member of the Committee on Patents, I introduced H.R. 5093 to provide that owners of patents without the funds to protect themselves from infringement upon their patent rights should be defended in their rights by the United States Government which issued them the patent.

House Joint Resolution 175, introduced May 5, 1933, has for its purpose the imposition of a tax on securities now tax exempt and to prevent further expansion of the great evil of issuing tax-exempt securities, which deprives our Government of needed revenue in times of emergency.

March 30, 1933, I introduced House Joint Resolution 137, providing for the creation of a committee to investigate the frauds in the sale of real-estate bonds and the operation of properties upon which these bonds were issued. This measure was reported to the Committee on Rules, where a number of hearings were held, and during the regular session I followed up this legislation by the introduction of a revised measure, House Concurrent Resolution 31. As a result of my fight of more than a year and a half for a thorough congressional investigation into probably one of the greatest financial frauds ever perpetrated on the American people, the Committee on Rules brought out a revised committee resolution embodying many of the points brought to public attention by my two previous resolutions, and upon the passage of the resolution by the House I had the honor of being appointed a member of the special committee by the Speaker of the House.

During the debates on legislation in both sessions of Congress in which I participated, I call attention to statements and speeches as appearing in the CONGRESSIONAL RECORD. As an advocate of the legalization of beer and the repeal of the eighteenth amendment, I spoke in favor of the measure legalizing the return of beer. (CONGRESSIONAL RECORD, Tuesday, Mar, 1933, p. 402.)

I voted against all endeavors to fasten upon the Membership of the House a gag rule and also against proposals to repeal the discharge rule which, as it now stands, permits 145 members of the House, upon the signing of a petition, to prevent a committee from pigeonholing legislation and brings the measure to the floor for debate and decision by the entire Membership of the House.

As an advocate of a uniform national system of old-age pensions, I was the first Representative to make an appeal over a national broadcasting system for support of this legislation by the American people. (CONGRESSIONAL RECORD, Friday, Jan. 5, 1934, p. 138.)

Other statements I have made as a Member of the Seventy-third Congress on legislation of interest and importance, which indicate my attitude on legislation, are summarized in the following extracts appearing in the CONGRESSIONAL RECORD.

LEGALIZING BEER—H.R. 3341

Mr. O'MALLEY. Mr. Speaker, I am more than happy to be able to stand upon the floor of this House today to favor the passage of the beer measure which is now before us. For more than 6 years I have campaigned in my district for the legalization of good beer as a measure which would not only restore the morality of the people of my own State but of the United States, and as a measure which would hasten the return of prosperity and employment in these United States. The record of my humble political activity, should any Member of this House desire to inspect it, will show that in the campaign of 1928 I was the only candidate for Congress in the State of Wisconsin on any party ticket who favored the outright repeal of the eighteenth amendment. Again in 1930, when I was again a candidate for Congress in the fifth district of Wisconsin, I likewise followed this consistent course of campaigning upon the single platform of a return to sanity through the repeal of the eighteenth amendment and the abolition of the infamous and fanatical Volstead law.

This is the first step toward the destruction of the reign of terror fastened upon the American people by the prohibition law. The passage of this measure is the first step in this speedily moving drama of the restoration of personal liberty. It is likewise the first official act of this extraordinary session of Congress toward the relief of unemployment and the relief of agriculture. Never before was a great industry upon which so many people depended, from farmers to laborers, wiped out with such ruthless and hasty action as brought about the ill-fated and unfortunate passage of the eighteenth amendment over the Presidential veto of that great Democrat, Woodrow Wilson.

I feel that I can speak for a younger generation today upon this important measure, a generation that with a knowledge of the mistakes of its elders is ready and determined to wipe out the evils which the iniquitous and fanatical prohibition enactment has fastened upon us. The people of the United States and of my district are anxiously watching this Congress in the hope of an era of prosperity. I am happy, indeed, to be able to support this measure introduced here today. To date this House, in a hectic extraordinary session of the Seventy-third Congress, has adopted two measures, neither of which, to my mind, bear any relation to their greatest problem of all—that of unemployment. This measure you are asked to pass upon today will relieve unemployment, relieve it in my district and throughout the State and the Nation in a satisfactory and truly American way, of restoration of liberty to a liberty-loving people (CONGRESSIONAL RECORD, Mar. 14, 1933, p. 402).

AMENDMENT PREVENTING FURTHER ISSUANCE OF TAX-EXEMPT SECURITIES

Mr. O'MALLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'MALLEY. Do I understand this is an amendment to that section?

The CHAIRMAN. That is correct.

Mr. O'MALLEY. I desire to submit an amendment to the amendment offered by the gentleman from Alabama.

Mr. COCHRAN of Missouri. Mr. Chairman, I make the point of order that the unanimous-consent request was solely for the purpose of striking out this language, and that was agreed to by the House.

The CHAIRMAN. The unanimous-consent request was to return to section 4 for the purpose of considering an amendment on page 5, as indicated, and therefore the gentleman from Wisconsin [Mr. O'MALLEY] is recognized and the amendment will be reported by the Clerk.

The Clerk read as follows:

"Amendment by Mr. O'MALLEY: Page 5, line 3, after the word 'thereof', strike out 'and shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate inheritance, and gift taxes) now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.'"

Mr. STEAGALL. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. STEAGALL. The point of order is that the amendment which has just been read does not relate to the amendment offered under the unanimous-consent agreement.

The CHAIRMAN. Does the gentleman from Wisconsin desire to be heard upon the point of order?

Mr. O'MALLEY. I do.

Mr. GOSS. Mr. Chairman, I make the further point of order that the House in Committee of the Whole has already passed upon a similar amendment.

Mr. O'CONNOR. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will first hear the gentleman from Wisconsin on the point of order made by the gentleman from Alabama.

Mr. O'MALLEY. Mr. Chairman, the amendment proposed by the distinguished chairman of the committee, the gentleman from Alabama, seeks to strike out the words that would make these bonds instrumentalities of the United States or allow them to be construed as being instrumentalities of the United States.

My amendment to the amendment of the gentleman from Alabama is to strike out the further part of the section which makes these bonds exempt from taxation.

I am entirely opposed to any more tax-exempt bonds of the United States being released upon the public by Congress; and I believe that if we are to decide here that these are not to be instrumentalities of the United States, we likewise remove all reason why these bonds should be exempt from taxation.

I believe upon this basis my amendment is entirely germane and that it should and can be a part of the amendment of the gentleman from Alabama. (CONGRESSIONAL RECORD, Apr. 28, 1933, p. 2582.)

ST. LAWRENCE WATERWAY PROJECT

Mr. O'MALLEY. Mr. Speaker, I object particularly to bringing this resolution in at this time, because it seeks to determine the rights of the State of New York in the benefits of the St. Lawrence waterway in tdvance of the ratification of the treaty.

If we adopt the rule, we are prevented from amending this resolution to determine and protect the rights of other States affected by the Great Lakes-St. Lawrence waterway. [Applause.]

My particular State is just as much interested in the St. Lawrence waterway as the State of New York, and it has just as much justification to have its rights determined in advance of the ratification of the treaty as the State of New York has.

This is no time for the consideration of this resolution.

If the House passes it, notice is served on the Senate that the House is in favor of the Great Lakes-St. Lawrence Waterway Treaty. If we defeat it, the action likewise serves notice on the other body that we do not particularly favor the St. Lawrence Waterway Treaty and the ratification of that treaty.

I believe this rule should be defeated, because this resolution has no place at this time in this legislative body.

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

Mr. O'MALLEY. I yield.

Mr. WEIDEMAN. This rule could be brought up for consideration just as well after the ratification of the treaty as now.

Mr. O'MALLEY. Absolutely.

Mr. WEIDEMAN. Did the gentleman ever hear of a law being passed to determine the rights of people before the law which gives them the rights is even passed?

Mr. O'MALLEY. Never before. (CONGRESSIONAL RECORD, Apr. 25, 1933, p. 2356.)

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. O'MALLEY. One reason the people of Chicago are against this waterway is because they have not taken some of the money they have otherwise wasted to build sewage-disposal plants similar to those that have been built in my city of Milwaukee, and they are trying to wash their sewage down the Mississippi with Lake Michigan water. (CONGRESSIONAL RECORD, Jan. 17, 1934, p. 829.)

PROPOSAL TO REPEAL HOUSE DISCHARGE RULE

This measure, gentlemen, is not aimed at the Republican Party; it is aimed at the Democrats. It is not designed to choke off Republican legislation because it is a laughable proposition to go before the press and the American people and say we are more afraid of fewer Republicans today than we were of the larger group of them less than a year ago, when we supported and approved the present liberal rule.

This very measure camouflaged under the guise of stifling a Republican minority, is in reality intended to stifle a Democratic majority who have come down here to enact liberal legislation and not make a racket out of holding a seat in Congress by doing only enough to give them an excuse and an issue for a reelection campaign. There are some of us here who are anxious to see this House of Representatives carry out the pledges made to the American people as quickly as possible regardless of the set opinions of any chairman of any committee in the House. And unless we forget, pemit me to point out that the change in the Membership of this House, by the election of 169 new Members, was not alone a question of party. The people of the United States were sick and tired of the antics of Congress, and the election in a good many districts was tn election decided upon a basis of the ins against the outs.

Let me interject here that the contention that unless we change this rule we place the fate and the future of our President and his measures in danger through the actions and opposition of a small Republican minority is stretching the facts. For, if this contention is true, we likewise place the President, by a change to a stricter rule, in the dangerous position of being entirely at the mercy of these committees as they are now constituted in the House. With the rule raised to a total of 218 or more members, as is now proposed, every committee in this House is in a position to say to the President, "Unless we approve the provisions of the measures you advocate, or unless you make us these concessions, you, Mr. President, have not a chance of getting your measures to the floor of the House from the Democratic side or any other side." In arguments in favor of this proposed change the remark has been made that it is a matter of practical politics. I have studied this proposal to incorporate the gag rule more definitely in the House rules than heretofore, from a political standpoint, and I should like to point out a few of the political aspects for the benefit of those Members who are not completely familiar with the set-up of this Seventy-third Congress. First of all, I have noticed that a delegation from one financially and industrially powerful eastern State seems to be unanimous in supporting this proposed change which would prevent a committee from being discharged when it refused to act upon a measure of interest to the great majority of the Membership of this House. It is interesting to note that this particular eastern State is represented with a chairmanship on seven important committees in the present Congress. Most of the Members of the House know that the chairman of a committee is usually the deciding authority on whether or not any legislation shall be reported out of the committee for hearing and decision by the Membership of the House as a whole.

Practical politics would lead me to wonder if a minority block of votes in the Democratic Party in the present Congress was not seeking a means by which a few eastern financial and industrial centers would be in a better position to make their power felt in decisions affecting not only the people of the United States but the peoples of the great Middle, North, and Southwest sections when this eastern block of votes in the House were in a position to throw their weight from one side to another under the stricter rules. It is practical politics to suspect that a block of 30 or 40 votes in the Democratic House, well organized and controlled, would be far more effective under the 218 rule than they would be under the present 145 rule. That is the practical politics side of this proposed change, and it perhaps would not have occurred to me had not some of the eastern delegations in the Democratic Party in this House taken such an active and positive stand in favoring the application of a stricter rule against the entire Membership of the present Congress. It is practical politics from the side of an organized minority in the Democratic Party to wish their position strengthened in their ability to affect Democratic policies through a change of this rule, but it is most impractical for any Democratic Member not alined with a definite organized minority within the Democratic ranks to support such a change which will in the future, I am sure, react most unfavorably toward the liberal legislation which the majority of Democrats have come here to endeavor to enact.

Now, we come to the argument that is being advanced to a good many new Members that perhaps the President wants this rule changed. Perhaps he wants the Democrats to become reactionaries now that they are in power? Perhaps he wants the Democrats to play machine politics; to bring machine or boss politics on the floor of the House and choke off liberal thought, not only in our party but in the House as a whole? I do not believe that is true, and the reason for my disbelief is my knowledge of Mr. Roosevelt's political career, which is a guaranty that he would never sponsor such a boss measure. How would our President vote on this issue of departing from a liberal rule, when his own mother says of him in his early career, and I quote:

"Franklin was one of the opposing senators who refused to stop thinking and do as he was told. On the contrary, he set quietly to work organizing an upstate opposition movement. Franklin, who had been elected on an antibossism platform, was determined to carry out his pledge to his constituents, even though it meant an open break with the bosses of his own party; and, further, he

had run on a self-imposed platform which promised that he would try to represent the voters insofar as they made their desire known to him through their votes."

Now let me point out that the very President in whose name some are endeavoring to convince us that we should change this liberal rule under the pretense of blocking a Republican minority refused to let even a lower court reversal stand in his way to fight for what was right. When the Democratic Party departs from this liberal rule, fostered and promoted by them for years, they are departing not only from the liberals of the United States and divorcing themselves from a principle for which the Democratic Party has always stood but they are straying from the path of our own President's personal political philosophy. The people are not going to be fooled by the hokum that a vast majority of Democrats are afraid of the political tricks of a ridiculously small minority of Republicans. When a Member votes for a departure from this liberal rule he votes to pass the buck to a committee in order that he can go back to his constituents and say, "I could not carry out my pledges to you because the committees were against me." The citizens of every district represented here in the House expect their Congressmen to fight just as hard as they can to promote the interests of their districts and the carrying out of pledges made in the campaign. And the last election should be a warning that the people will not tolerate a buck passer, regardless of whether he is a Democrat or Republican.

Now, ladies and gentlemen of the House, the motto of the great State from which I come is expressed in one word. It is "Forward." I want to go forward with the Democratic Party in this Congress. I want to go forwtrd without sacrificing my right to support and fight for the interests of my constituents by every possible and legitimate means. If this unfortunate attempt is to saddle upon the Democratic majority and the President of the United States a dictatorship of committees in this House through a change in the rules, I must vote against the proposed change. (CONGRESSIONAL RECORD, Apr. 17, 1933, p. 1856.)

MOTION-PICTURE MONOPOLY PROBE (H.RES. 95)

Mr. O'MALLEY. Mr. Speaker, the investigation proposed by this resolution should have the support of the Members of this House. This resolution proposes the creation of a congressional committee to investigate numerous charges, many of them contained in the resolution itself, so that Congress may recommend legislation to effectively protect the American people, the governments of the several States, and the independent producers, distributors, and exhibitors of motion pictures from the unfair and restraining influences of an established monopoly in this important American industry.

There is no other business in America that so directly affects the American public as the motion-picture business. Likewise there is no other business that has for so long brazenly disregarded fair regulation, flaunted public decency, and which has been so successfully monopolized by a small group of producers who have thwarted every effort of State and National Legislatures to expose their insidious activities and enact legislation to control them.

For more than a decade scores of responsible people in every walk of life from the educational field to the pulpit, and from the ranks of labor, and even in the industry itself, have charged that the business of producing and exhibiting motion pictures is being carried on by various corporations in direct violation of the anti-trust laws. In addition, they have charged that indecent pictures, unfit for public display, are weekly being forced upon a defenseless public, even over the protest of exhibitors themselves. The rankest kind of frauds have been perpetrated on a large section of the investing public, due to the manipulations of certain picture-producing and theater-operating companies. This well-organized monopoly of producers, through unfair devices, such as uniform sales contracts, compulsory arbitration, blacklisting of independent theaters, block booking, unreasonable zoning regulations, secret deals with censorship boards, and even the regulation of admission prices at theaters has promoted and established itself to a point of absolute control of the motion-picture business.

State governments have been rendered helpless in their endeavors to remedy this situation by legislation because of repeated rulings of United States courts that the States have no jurisdiction. In the case of Paramount-Publix Corporation against the Wisconsin Department of Agriculture and Markets the department of my State charged and was ready to prove the allegations which are contained in the court records of the United States District Court, Western District of Wisconsin, filed on December 20, 1932.

The net result of the case from which I have quoted some of the record shows that the United States court rendered a decree for an interlocutory injunction on April 14, 1933, thereby preventing the sovereign State of Wisconsin to proceed against Paramount-Publix Corporation in the injunctional proceedings to stop their violations of Wisconsin statutes, section 99.14, known as the "fair trade" law of my State. So when I say that the States are helpless to act against this monopoly to protect their citizens against unfair trade practices I speak from the record of the inability of our established State departments to act to prevent the monopolization of the motion-picture industry in not only my own State but in every other State of the Union. The investigation proposed by the gentleman from New York is absolutely necessary in order that this Congress may proceed to recommend legislation to effectively smash this monopoly and protect the States against the actions of these certain producers.

In conclusion, I want to say that when any organization, through its lobbyists, through its secret propaganda, and through its publications and press releases, boldly asserts that it can get any picture past any board of censorship it wants to; that when its representatives go so far as to tamper with and fix news reels to influence public and political opinion; that when, under cover of a copyright law enacted by this Congress, it extracts penalties and payments from defenseless small theater owners; and when, by intimidations of employees and its influence and friendships among members of public bodies, it dares to openly boast in the press of the Nation that it can continue to bunco and hoodwink the public and the lawmakers and still successfully choke off any investigation proposed, it has made a direct challenge to the integrity and courage of every Member of this House of Representatives.

The motion-picture lobby and the powerful influences back of them protecting certain big companies in the violation of anti-trust laws and their violation of the American public code of decency have issued a direct challenge to this House. They have attempted and are attempting to prevent and forestall this investigation; to heap ridicule upon its proponents; to inject everything but reason into their arguments, which certainly proves that if they were clean and able to face public opinion they would not now be seeking by every means, fair and foul, to defeat this resolution. If we have the courage to justify our place in this body at all, we will answer the challenge thrown down to us that says that the "movie monopoly is bigger and more powerful than the House of Representatives" and support this resolution as our answer to the challenge (CONGRESSIONAL RECORD, May 12, 1933, p. 3366).

BILL TO REPEAL HAWAIIAN HOME RULE

Mr. O'MALLEY. Mr. Speaker, I wish to call attention of the Members of the House to the fact that we are proposing here to undermine and destroy a principle which the Democratic Party, in my opinion, has always supported; that is, the principle of home rule.

The law as it now affects the Territory of Hawaii provides that the Governor shall be a resident of the islands for at least 3 years next preceding his appointment. This measure brought in here by the committee proposes to so amend the law that the Governor need not be a citizen of the islands, and consequently need know nothing about the problems of the people of the islands for whom he is to administer the laws and regulate many of their living conditions. In the short time allotted me on the floor of this House to register my opposition to this proposal I pointed out that the Democrats have always favored home rule, and that particularly in the South for more than two generations the Democratic Party has opposed carpetbag government in all its insidious forms.

Now, with this measure we would deny to the citizens of the Territory of Hawaii the decent, fair, and truly democratic principle of having a Governor to administer their laws who is a citizen of their own Territory. I think this House should stand by its colleagues, should uphold the wishes of the Hawaiian people and their legislature, who have protested against this change in the organic law, and vote down this measure which proposes to deprive the Hawaiians of the same measure of State rights, if I might so compare it, as the sovereign States of the United States have enjoyed since the drafting of the Constitution. It is a surprising anomaly to me that the Democrats and the Democratic Party, the living, vital proponents of State rights, should, through this measure, wish to deny to the Territory of Hawaii that great human right and great principle which they have so zealously and insistently approved and supported throughout the history of our great Democratic Party. It is a surprising, disconcerting, and somewhat disheartening thing that a true Democrat and believer in the right of home rule and local self-government should be forced in this House, in an endeavor to save that small measure of justice to which I feel the people of Hawaii are entitled, to turn to the opposite side of the House for support. Now, I do not know the Hawaiians' problems. I have never been there. I do not know what their differences may be, but I do feel that just as we settle our local differences in our 48 sovereign States of the Union through elections and through the will of the people, that the people of Hawaii should be let alone to settle their own differences in the same manner.

As a good American, and as a Democrat who is a Democrat because he believes in the principles of Jefferson and the Constitution, I should hesitate to say that I, as a Member of the House of Representatives, would cast my vote to change a law which might result in fastening upon the people and the citizens of the Territory of Hawaii a Governor who was not a citizen and who might impose upon them gross injustices. I hate to be a party to the theory that "might makes right" and that because we are in the majority in this House we should use our strength to override and defeat a principle of government for which the Democratic Party has always stood—home rule—and impose upon the citizens of this Territory of ours by the sheer weight of our numbers a change in the law which might or might not work ill to the rights of every individual citizen of Hawaii.

Carpetbag government in any form is obnoxious to a free people. No good Democrat can defend it under any guise; and if the principles for which the Democratic Party has stood for generations are worth anything at all, the Democratic side of this House should refuse by its vote to take away from the citizens of Hawaii that justly cherished right of having a Governor for their Territory who is a citizen of their Territory and who is familiar with and in sympathy with their problems.

This is almost another proposition of "taxation without representation", a principle over which this country fought to gain its freedom from a foreign power; it is another proposition from which the people from whom I am descended have fought and bled for nearly 700 years. It is a proposition antagonistic in principle to everything a real Democrat has believed in and supported, and it rises above the mere question of patronage and the rewards of political victory, because it involves a change in a fundamental concept in which the kind of Democrats I have known have always believed. I trust that the Democratic side of this House will not countenance this proposition, because a principle is no longer a principle if we make an exception to it, and the principle of home rule and local self-government is a Democratic principle that we Democrats should have courage enough to support, regardless of minor considerations or momentary advantages of any kind. (CONGRESSIONAL RECORD, June 6, 1933, p. 5233.)

AMENDMENT TO REDUCE BEER TAX

Mr. O'MALLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

"Amendment offered by Mr. O'MALLEY: Page 5, line 24, after the word 'of', strike out '$5' and insert in lieu thereof '$3.'"

Mr. O'MALLEY. Mr. Chairman——

Mr. DOUGHTON. Mr. Chairman, all debate on this section has been closed.

Mr. O'MALLEY. Then, Mr. Chairman, I ask unanimous consent to proceed for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'MALLEY. Mr. Chairman, I offer this amendment for a $3 tax upon beer in the hope of reaching a compromise on this question.

If I were a dry, the best thing I would want to do as a matter of strategy would be to try to load onto wine and beer a tax that is so high that its consumption would be reduced and at the same time hold whisky or hard liquor at a point where it could come to the consumer at as low a price as possible. That would be good dry strategy.

I supported repeal in the hope that we would try to discourage the increased consumption of hard liquor. I find on the Republican side that there is a gentleman who argues for a lower tax in the hope we may increase the consumption of whisky. If I had known or expected that repeal was to bring about an increased consumption of whisky, I might not have voted as I did. I think the workingman's drink—beer—that does not intoxicate anybody and which this Congress said was not intoxicating, should not be loaded with 400 percent more tax than we are loading on whisky today.

I think we ought to be fair in this matter and the tax which we are raising should be equal in proportion on all of the beverages that come to us after repeal.

We have increased the tax on whisky about 80 percent. We reduced it on champagne, the rich man's drink, the millionaire's drink. Someone told me that it was an invalid's drink. I have seen some men become invalids only after they drank it. We are worried about American champagne. Let me say to you that beer employs more people per gallon than champagne ever did. It helps the farmer more. I particularly enjoyed the advice of the gentleman from Illinois to the new Members that we ought to appreciate his tears for the champagne drinkers. I think the Government can divest this matter of a beer tax entirely from the revenue and Budget features. If we place a tax of $3 on beer we will get just as much revenue as we will out of a $5 tax. When the breweries of my State started into operation they began with a shift of workers 24 hours each day. Today, because of the high price of beer, they are down to the point where they are laying men off and operating only 7 or 8 hours a day.

Mr. O'CONNOR. Will the gentleman yield?

Mr. O'MALLEY. Yes.

Mr. O'CONNOR. Does the gentleman really believe that his breweries will charge less for a barrel of beer with a $3 tax than they are charging now with a $5 tax? If I believed that were so I would be with him, but I know it is not so.

Mr. O'MALLEY. I do not know whether they would or not, but we have the N.R.A. and the Consumers' Council and we have the Federal Trade Commission to bring the prices down if they are overcharging the consumer. We ought to take the excuse away from them that they must charge this price because the Federal Government is getting $5, the State government $1, and the other taxes bring it up to nearly $10.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. O'MALLEY. Yes.

Mr. COOPER of Tenessee. The evidence before the committee shows that in the gentleman's city, Milwaukee, I believe, beer is selling to the consumer, the large-sized glasses, at 5 cents.

Mr. O'MALLEY. That is probably where some poor fellow was trying to get a little business in order to keep himself in operation, or some tavern keeper is trying to outdo the other man who operates at a loss across the street from him. But there is not a man in my city that can sell beer at 5 cents a glass and keep out of the hands of a receiver for a year at present prices.

Mr. HEALEY. Will the gentleman yield?

Mr. O'MALLEY. Yes.

Mr. HEALEY. Is it not a fact that the ingredients used in the manufacture of beer have gone up 50 percent since last April?

Mr. O'MALLEY. Yes; and because of tax processing and other costs.

Mr. O'CONNOR. What does the gentleman think it costs to make a barrel of beer?

Mr. O'MALLEY. I do not know what it costs to make a barrel of beer, but I do know that small breweries are spending now, to turn out a barrel of beer, about $2.60.

Mr. O'CONNOR. If they are, they are paying at least $1.40 more than is the usual rate. I understand it costs about 60 cents to turn out a barrel of beer.

Mr. O'MALLEY. Maybe those are breweries that do not chisel on the N.R.A. and the process tax and pay their employees a good wage.

Mr. KNUTSON. Will the gentleman from Wisconsin yield?

Mr. O'MALLEY. Yes. I yield to the gentleman.

Mr. KNUTSON. I am in thorough sympathy with what the gentleman says about the N.R.A. and about the process tax. The process tax has increased the price of flour $1.35 a barrel to the consumer. It has increased the price of mill feed to the dairymen by 40 to 50 percent, and the price of butter is lower today than it ever has been at this time of the year.

Mr. O'MALLEY. I agree with the gentleman. I come from Wisconsin, where we make lots of butter.

Mr. KNUTSON. Yes.

Mr. O'MALLEY. We can divest this question from the matter of raising revenue and if we vote for a $3 tax we will be going on record in favor of a 5-cent glass of beer for the workers and real temperance for the Nation.

The CHAIRMAN. The time of the gentleman has expired. The question is on the adoption of the amendment offered by the gentleman from Wisconsin [Mr. O'MALLEY].

REFINANCING FARM MORTGAGES

Mr. O'MALLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not represent a farming district, but I am in sympathy with many of the problems of the farmers in my State and in other States, because I know they affect my district, which is an industrial district.

I notice we have been concerned with the way the appraisal forces of the Federal Government are acting on appraisals. I have not yet seen anything done about the old Federal farm land bank acts. There are a great many people in my district, which is a city district, an industrial district, who have the savings of their lifetime invested in farm mortgages. There are a great number of widows, workers, teachers, and small investors of all kinds who were told for years they should put their money into farm mortgages, as it was the safest kind of investment. They have practically lost all of their savings as a result of present conditions. They believe it is right to reduce and scale down their mortgages to a fair basis of present-day land values, but their position is this: They are being asked by Federal Government to scale down their mortgages, and the Federal land bank refuses to scale down mortgages which it has carried for a number of years.

I received a letter yesterday which shows the situation of a great many farmers in my State and may account for some of the reasons why people who are holding farm mortgages are reluctant to scale down those mortgages and accept farm-loan bonds in return for those mortgages. I want to read a part of this letter which shows what has happened in my State as a result of the administration of some of the Federal farm-loan laws that we have passed here.

This is just one of the instances that have come to my attention from my own State, where the Federal Government, which is supposed to be administering these laws we passed for the relief of the farmer, is refusing to do exactly what they are asking the mortgage holders and small investors to do. We might at least be logical and not ask the investor in farm mortgages to do what the Government refuses to do.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. WILSON. Does not the gentleman think if we increased the amount that may be loaned by the farm commissioners it would relieve many of these situations?

Mr. O'MALLEY. I think it would relieve the situation if we could get the commissioners to scale down their mortgages just as they are asking the mortgagees to do with their mortgages. The Government should set the example where relief to the farmer is concerned.

Mr. WILSON. If we increased the amount of the loans that may be made by the farm commissioners, would not that take care of the situation?

Mr. O'MALLEY. It might be of help, if the gentleman says so. In my State they are making appraisals on an acreage basis and have used in many cases, as a guide, appraisals made in other States. Why, there are buildings on farms in my State that are insured for more than what 400 or 500 acres of land in other States is worth. I am, however, not familiar with appraisal work going on now, but I am familiar with the distress of the small investors in farm mortgages in the cities. (CONGRESSIONAL RECORD, Jan. 16, 1934, p. 750.)

VINSON NAVAL BILL

Mr. O'MALLEY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. The substitute provides for one-half of the construction in private shipyards. Would the gentleman accept an amendment to his amendment that all ships should be built in

Government yards except those that the President decided could not be built there within the proper time? And is not that one way to take the profit out of building up these ships and guns?

Mr. CONNERY. Yes; absolutely; and keep men working at a decent, living wage in the navy yards. (CONGRESSIONAL RECORD, Jan. 30, 1934, p. 1625.)

LAKE MICHIGAN WATER DIVERSION

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I do not know whether the chairman of the committee that reported this bill is here or not, but apparently this is an attempt to extend to the Inland Waterways Corporation an additional franchise to operate on the Snake River and Columbia River. Back where I come from we have had some experience with the Inland Waterways Corporation. It operates a few scows out of Chicago, because political influence has reversed the flow of the Chicago River, draining needed water from the Great Lakes. I think that we have given them a lot more than they are entitled to, including water. I am going to object to this bill, because it is an extension of a grant which should never have been given any public or private corporation.

Mr. WHITE. This has nothing to do with drainage.

Mr. O'MALLEY. They will get around to doing some drainage in some way. In fact, although Lake Michigan water is really being pilfered to operate power plants, the excuse for the pilfering is that it is needed to make navigation possible.

Mr. WHITE. This is just to supply the farmers who raise wheat out there a means for transporting their wheat to market, and I hope the gentleman will withdraw his objection.

Mr. O'MALLEY. I should like to accommodate the gentleman, but our experience with rivers used by the Waterways Corporation shows that they are the excuse to bring about drainage of the Lakes. I am impelled to believe that whenever they get the right to a franchise on a river they will manage to get enough water to navigate through trick legislation or on some other basis. A navigation plea is a good front for water thievery, any way it is used. (CONGRESSIONAL RECORD, Apr. 5, 1934, p. 6157.)

DR. WIRT INQUIRY

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'MALLEY. Mr. Speaker, I feel a good deal like the gentleman from Ohio [Mr. COOPER]. Every day and every minute of time that we devote to Dr. Wirt costs the American taxpayers a lot of money. My private impression was that this investigation should never have been held, because it was cheap partisan politics, and the only object it seems to have had is to make a comic opera campaign issue for Members on both sides of the House to discuss for hours and hours at great expense to the taxpayers. Every day this Congress runs costs the taxpayers a lot of money. Every minute we use, either in committee hearings or in session in the House, costs the taxpayers scores of dollars when the bill is finally rendered to them. Personally I have not taken up much time on the floor of this House for any partisan speeches, and from now on I am impelled to object to unanimous-consent requests to discuss Dr. Wirt, that nervous little fellow from Gary, Ind., who does not yet realize that when we had an election in 1932 we did have a revolution which the people were in favor of. That bloodless revolution against organized greed and exploitation is going on right now with the help of the Democratic administration, and it is returning this country to where it should have been if the Republican Party had given the people the same kind of a planned program for recovery that the Democratic administration has done. I do not think we ought to waste any more time on Dr. Wirt or any of his charges. He has disclosed by his statements that he has been doing the work of some people who have private profits and special interests at stake in this new deal, which they do not want to give up, even if their special privileges destroyed the welfare of millions of the common people. (CONGRESSIONAL RECORD, Apr. 11, 1934, p. 6437.)

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

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, last week I pointed out that between $15,000 and $20,000 of the people's money had been spent on Dr. Wirt as a result of the resolution, committee hearings, and the use of space in the RECORD and time of the House. I should like to inquire of the gentleman from Kansas whether he intends to continue this Wirt comic opera in the 5 minutes he requests and continue to waste the taxpayers' time and money?

Mr. MCGUGIN. I want the committee to get its program in such shape that the people will get their money's worth for the $15,000 or $20,000 that the gentleman says is being spent. I want to call all of the witnesses.

Mr. SCHULTE. Mr. Speaker, I object.

The SPEAKER. The Clerk will call the Consent Calendar.

The Clerk called the first bill on the Consent Calendar, H.R. 4870, a bill to extend the times for commencing and completing the construction of a bridge across Lake Sabine at or near Port Arthur, Tex.

Mr. MCGUGIN. Mr. Speaker, I object. There is going to be no business done today.

Mr. O'MALLEY. Mr. Speaker, let the gentleman object all he wants, just so the RECORD shows it is he who is holding up the business of the House. (CONGRESSIONAL RECORD, Apr. 16, 1934, p. 6649.)

AMENDMENT TO RECIPROCAL TARIFF ACT

Mr. O'MALLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

"Amendment offered by Mr. O'MALLEY: Page 3, between lines 22 and 23, insert the following new paragraph:

"'(c) No foreign-trade agreement concluded pursuant to this act shall contain any provision permitting directly or indirectly the shipment into the United States of any article manufactured or produced by a foreign subsidiary of a company organized under the laws of any State of the United States.'"

Mr. O'MALLEY. Mr. Chairman, on the previous section I offered an amendment. I did not get time to discuss it because of the haste which the committee seems to want on this bill. It provides that no foreign-trade agreement concluded pursuant to this act shall contain any provision permitting, directly or indirectly, the shipment into the United States of any article manufactured or produced by a foreign subsidiary of a company organized under the laws of any State of the United States.

I am again offering that amendment to this section, in the hope the House will adopt it before passing the bill. Since 1929, $5,000,000,000 of American money has gone across the ocean to build factories to compete with our factories. More than 2,000,000 men have been put out of work by the American manufacturers transferring their factories to other countries. I do not want to see a reciprocal trade agreement made by anybody, including the President of the United States, that will take care of the cheap labor of other countries and replace our men here at home and still allow these deserting American industrialists to bring in goods manufactured by them abroad to come into competition with our loyal industries that stay in this country despite difficult times.

I think my amendment ought to be adopted. It will not harm the bill, but it will make it impossible for Great Britain or any other country to make conditions in reciprocal agreements that her employees in American factories and the products of the employees of those factories shall be included in the trade agreement with this country to the harm of our industries who have refused to be lured abroad. (CONGRESSIONAL RECORD, Mar. 29, 1934, pp. 5799, 5807.)

My purpose in offering this amendment to the Reciprocal Tariff Act is to specifically provide that no foreign nation, in negotiating a reciprocal trade agreement with the United States, shall be allowed to permit these deserting American industrialists to import back into this country the goods manufactured by them in their foreign subsidiaries which will come into competition in our domestic market with the products of our loyal manufacturers who have stayed in this country despite the difficult times. I regret that the House by its vote has not seen fit to adopt my amendment, since it cannot harm this tariff bill in any way, but would make it clear and unmistakable that the American market belongs first to the American manufacturer with all his resources and capital invested in this country insofar as we can help him to get that market; and, secondly, my amendment closes a loophole against those profit-hungry deserters who have thought more of dividends upon their investments than of the welfare, employment, and economic happiness of our American citizens, who, through their purchases, made possible the growth of many of these great corporations now entrenched and producing their products abroad. (CONGRESSIONAL RECORD, Apr. 28, 1934, p. 5820.)

EMERGENCY RECOVERY TAX

Mr. O'MALLEY. Mr. Speaker, I offer a preferential motion. I move to recede and concur in the Senate amendment no. 13.

* * * * * * *

Mr. O'MALLEY. Mr. Speaker, I offered my preferential motion to recede and concur in the Senate amendment because I believe the American people cannot be fooled by political byplay on the tax question.

This Congress has obligated the American people to pay millions and millions of dollars for the recovery program. Any man or woman in this country who objects to paying 10 percent additional on his or her income tax for a year of two when they are fortunate enough in these times to have an income on which to pay a tax is not patriotically in support of the recovery program.

The political thing to do, of course, is to tell the voters back home in the coming campaign, "I spent all kinds of money for you; I gave you everything for which you asked, and then I refused to make sufficient provision for paying the bills."

It is the duty of the Congress to levy taxes in sufficient amount to pay not only the ordinary and necessary expenses of government but also the extraordinary and emergency expenses such as the cost of the depression and our legislative attempts to overcome it. Likewise, it is the duty of the Congress to be fair with the American people and not put them in the position of contracting debts and then refusing to raise the money to pay them. I believe that the people of this country want to pay for the things they get from government as they go along and not live beyond their means. Naturally, it is a nice thing to vote huge appropriations for C.W.A., P.W.A., A.A.A., and all other activities designed to give employment and take us out of the depression. It is a difficult thing in the face of a campaign, after 2 years of appropriation making, to turn around and render the bill, but the bill must be rendered and no fair-minded person, in my opinion, objects to paying a small additional tax for the benefits the recovery program has brought about so far.

Of course, the political thing to do is to vote for all appropriations and against all taxes, but that is not the practical, the

honest, the courageous, or the fair thing to do if the American people hope to be kept a solvent Nation and the Budget is to be balanced and stay balanced.

Mr. TRUAX. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Ohio for a question.

Mr. TRUAX. Does the gentleman realize that 95 percent of the people of this country pay no income tax? The gentleman from New York says that this is a plan to soak the rich. If so, 95 percent of the men on this side ought to vote for it and a good many on that side.

Mr. O'MALLEY. This question of soaking the rich is entirely aside from the question of taxing the people who have the income. If we do not tax the people who have money, who are we going to tax? Where are we to get the money? How are we going to pay our way as we go along? Are we going to adopt the honest policy of paying our way as we go, or are we going to continue to make political thunder out of tax bills by authorizing all sorts of expenditures on one hand but on the other hand tell the citizens of this Nation that these expenditures do not have to be met by taxes?

I cannot imagine anyone unwilling to contribute 10 percent additional on any income they are fortunate enough to be able to pay in the next 2 years in order to help the American people get back on their feet. I think every man in this Congress would be willing to do that part to help meet our national burden. If we want to go into a campaign and say that we prevented higher taxes, that would make a very nice campaign talk, but in the face of our huge expenditures we would be insincere and not accepting our constitutional duty to keep our country a solvent nation. I do not think we could go to the American people on that kind of an issue and get reelected, if it is reelection we are seeking by defeating this 10-percent emergency tax. If at any time this emergency tax provides too much revenue, the Congress meets again next January and it can be taken from the bill. If the revenues under the bill justify it, and the Director of the Budget so advises, this tax can be eliminated only 8 months or so from now. But in the meantime, with this emergency tax provision, we are playing fair with the people and providing some of the means to pay our way as we go along and pay the interest on these billions of dollars of bonds that have been issued to bring about recovery and employment. I do not believe there is anyone in this country who is not willing to pay 10 percent added income tax when they have a job and an income sufficient to pay taxes on at all. If anyone is unwilling to do that much to continue our remarkable progress toward the day when every man is employed, then we are indeed a nation of selfish individuals.

If a man is fortunate enough, with 10,000,000 unemployed still walking the streets of this country, to have an income sufficiently large to pay $25 taxes to the Government under the ordinary rates of this bill, I cannot conceive of his objection to paying $2.50 additional for a year or two to help continue a program that will mean the eventual employment of these still jobless 10,000,000 of our fellow Americans. Of course, 10 percent additional tax on a man who pays a tax of a million dollars is $100,000 more than he will pay if this amendment is defeated; but $100,000 additional taxes, if distributed in C.W.A. or P.W.A. work, would employ 100 heads of dependent families for 1 year at $1,000.

We have a better bill now than when it left the House. As it originally came before us under the gag rule, it lowered taxes on incomes in which our own salaries are involved. This emergency tax would, of course, nullify in part that reduction.

Mr. BOYLAN. Does the gentleman think it is correct to write a revenue bill on the floor?

Mr. O'MALLEY. That is where it should be written—on the floor—if the intent and purpose of the Constitution giving the whole Congress the right to express itself on taxes is to be preserved without gag rules preventing all the Representatives of all the people expressing themselves directly on the vital proposition of taxation. (CONGRESSIONAL RECORD, May 1, 1934, p. 7845.)

EIGHT-MILLION-DOLLAR SPECIAL CENSUS BILL

Mr. O'MALLEY. Mr. Chairman, I rise for the purpose of striking out the last word, because in the limited amount of time originally allotted to the bill I did not have time to study the bill.

I find great difficulty in supporting this measure, because two wrongs do not make a right. I know that during the Republican administration they did all they could to pack the Government service with temporary jobs. They even sent out in my district Government employees to campaign for the Republican candidates, on Government money. Two wrongs do not make a right. They tell us this census is absolutely necessary to find out how many unemployed there are in this country. In my district the registration lists of the C.W.A. will show exactly how many unemployed there are who want jobs. [Applause.]

I know the political pressure that comes from back home by a group of selfish job seekers, for I have experienced it. One of our Presidents, I think it was Lincoln, once said that the people who want to get on the Government pay rolls will some day destroy the Government with their greedy disregard for decency and honor unless they are checked. There are all kinds of people who want to get soft Government jobs. Those are the ones who will get these census jobs, and the deserving people who do not know how to get jobs through political influence will never get any of them.

The gentleman from Missouri, for whom I have a great deal of respect, said that this census bill was endorsed by partisan Republicans serving in the President's Cabinet. Now, it may be possible that these partisan Republicans who endorse this bill are trying to mislead the Democrats into passing a bill that may give them a lot of trouble in the election. [Applause.]

Who are going to get these jobs? I see from the hearings that the bill is endorsed by college professors. I wonder if the teachers' pets are going to be employed during the months of October and November on the pay roll of the Government? We were told in the committee hearings that they could not use the C.W.A. workers because they are not highly enough educated; they have got to use specially selected college boys to do this work that is supposed to relieve unemployment amongst laboring people. [Applause.] Mr. Rice, of the Census Bureau, probably a partisan Republican, said in the hearing: "I think I might make this statement: It would be entirely out of the question from the standpoint of efficiency for the Bureau of the Census to take this census by using only, or in any number, work-relief people, or people who are working out their relief under the Federal Emergency Relief Administration."

If this bill is for relief of this kind of people, why does this gentleman in the Census Bureau say they cannot use them?

I think this is a piece of legislation of which Congress will not be proud to have enacted in its closing days. We are going to do something for the unemployed by counting them! [Laughter.] I know how the farmers in the drought-stricken counties of Wisconsin, without enough food in prospect for the coming year, will look at the spending of nearly $8,000,000 for counting them when this money might better have been used to feed their children. Imagine what one of them would say when an enumerator comes up to him and says that the Government was spending $8,000,000 to relieve distress by counting the distressed! [Applause.] (CONGRESSIONAL RECORD, June 7, 1934, p. 10730.)

REAL-ESTATE BOND FRAUDS (H.RES. 412)

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.

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 No. 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 bonds issues have been floated, which gives us a total of 3,500 real-estate bond issues that I know of, and 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 kind 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 investigation 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.

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 intrusted. 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. (CONGRESSIONAL RECORD, June 15, 1934, p. 11681.)

RAILROAD WORKERS' RETIREMENT ACT

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 employer 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. (CONGRESSIONAL RECORD, June 25, 1934, p. 12785.)

Since taking my oath of office I have tried to remember that work is the only practical way to learn one's job. The Honorable Champ Clark, Democratic Speaker of the House of Representatives, once stated in a speech that "A man has to learn to be a representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor." I have tried to spend all my available time in a faithful discharge of the duties which I was elected to perform and in learning how I might better carry out the will and desires of my constituents and efficiently discharge the responsibilities of my office. It has always seemed to me much fairer to the voters of any community to account for what has been done in their behalf, rather than to hold forth promises of future acts when asking their consideration.

THE RECIPROCAL TRADE AGREEMENT ACT

Mr. BUCK. Mr. Speaker, I desire to ask unanimous consent to extend my own remarks in the RECORD, and to include a letter from the President of the United States to me.

The SPEAKER. Is there objection?

There was no objection.

Mr. BUCK. Mr. Speaker, during the debate on the Reciprocal Trade Agreement Act a concerted drive was made by interested parties to terrify producers of agricultural commodities and line them up in opposition to the act. Appeals were made to their fears, and statements were quite widely circulated that the bargaining powers which we have granted the President would be used to the detriment of agriculture. I supported the recicrocal-trade agreement bill and voted for it in the sincere belief that this measure was an integral part of the recovery program; that it was as essential to the restoration of our foreign trade as the National Industrial Recovery Act and the Agricultural Adjustment Act were to the restoration of domestic prosperity. A large portion of the agricultural products of my own State are marketed on an export basis; dried and canned fruits of every description, barley, and other products are sold abroad in such large quantities—in some cases totaling half of the crop—that the failure to keep alive our foreign trade has worked untold hardships upon thousands of California farmers.

When the President signed the reciprocal-trade agreement bill, he called attention to the fact that the unprecedented shrinkage of world trade has been an important element in the present world condition. He asserted that the use of the powers which had been granted him would require care to assure that each agreement should make a real contribution to recovery. The very use of the word "reciprocal" in describing the bill indicates that there must be benefits obtained for the United States as well as for the country with which the bargain is made. Since the Great War countries have spent years in building barriers against mutual trade which have impaired not only foreign but also domestic commerce of our and every other country. The President realizes that the restoration of healthy trade by the removal of these impediments will require time and patience. No definite program has been prearranged and all the efforts of the special interests to impair the confidence of the people of the United States by making misstatements about the policy of the President will be shown to have been baseless and unfounded.

Mr. Speaker, in my own State allegations have been made and widely disseminated in the press that those who would have administrative authority under this act had in mind a purpose to "sacrifice the farmers and fruit growers of California in pursuit of the will-o'-the-wisp of foreign markets." Mr. Speaker, such a statement is an attack upon the integrity and honor of the President of the United States, to whom such administrative authority has been given. I have never had any doubt as to the honesty with which the provisions of this act would be administered; but in order now and for all time to set the matter at rest, I include in my remarks a copy of a letter received by me today from the President of the United States, which will lay at rest the fears of my California friend. The letter is as follows:

THE WHITE HOUSE,
Washington, June 15, 1934.

Hon. FRANK H. BUCK,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN BUCK: I am somewhat surprised and a little amused at the fears you say have been aroused in Cali-

fornia because of the enactment and the possible administration of the Reciprocal Trade Agreement Act.

Certainly it is not the purpose of the administration to "sacrifice the farmers and fruit growers of California in pursuit of the will-o'-the-wisp of foreign markets", as published reports would make believe.

I trust that no Californian will have any further concern or fear that anything damaging to the fruit growers of that State, or of any other State, will result from this legislation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. Speaker, we do not know what benefits may be gained under this act. It is frankly a bargaining act and we do not know with what attitude foreign countries may approach us in the negottation of trade agreements, but we do know, and the letter I have quoted definitely shows, that it is the purpose of the administration to make such trade bargains as will benefit the people of every State of the United States.

STATEHOOD FOR PUERTO RICO

Mr. McDUFFIE. Mr. Speaker, I desire to ask unanimous consent to extend my remarks in the RECORD with reference to the legislation in regard to Puerto Rico, and to include letters from the departments.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McDUFFIE. Mr. Speaker, under leave to extend my remarks, I herewith submit the views of one of the factions in Puerto Rico, also a letter to me from Senator Luis Marin, of Puerto Rico, also explanation of Liberal Party's vote against statehood. I understand a bill, designed to give such a status to Puerto Rico, has been introduced. I am in no wise endorsing such a proposal because I have given no study to the question. I realize it is an issue that will doubtless be passed upon by one of the committees of the Congress at some future date.

The purpose of printing the letter, which is written by Senator Luis Munoz Marin, a member of the Liberal Party, and who assumes to speak for one faction in Puerto Rico on the question of statehood, is to give the benefit of his views to those who may see fit to study the question.

WASHINGTON, D.C., *May 22, 1934.*

Hon. JOHN MCDUFFIE,
Chairman Committee on Insular Affairs,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN MCDUFFIE: In the first page of the Senate section of the CONGRESSIONAL RECORD of May 15, there was printed a resolution of the Legislature of Puerto Rico on the subject of statehood for that island. The Liberal Party, of which I am one of the representatives in the Senate of Puerto Rico, and which I now represent in Washington, voted against that resolution and officially explained its reasons for so doing. I feel that in order that Congress should be fully informed as to the state of public opinion in Puerto Rico in regard to that resolution, and as to the realities underlying it, the official explanatory vote of the Liberal senators and representatives should also be printed in the CONGRESSIONAL RECORD. I have asked Senator TYDINGS to request the insertion of a translation of that document in the RECORD, together with an explanatory letter.

I hope that the attention of your committee will be called to this letter and to the Liberal Party's statement, a copy of which I enclose.

Of the three large political parties in Puerto Rico only one—the Republican Party—advocates statehood. This party polled in the last elections 29 percent of the votes. The Liberal Party, which opposes statehood, polled 47 percent of the votes. The Socialist Party does not advocate statehood, but its members in the legislature voted for the resolution, thus giving it a majority. The Socialist members also explained officially their reasons for voting the resolution. They voted it because they are allied with the Republican Party because they understand that the resolution contains a request that the people of Puerto Rico be given the opportunity to reject statehood at the polls, and because the resolution also solicits certain economic reforms, such as local tariff-making powers, which the Socialist Party deems beneficial, but which are antagonistic to statehood.

The Liberal Party opposes statehood principally for economic reasons. Puerto Rico is faced with tremendous economic problems which call for broad powers—whether these be exercised by the Federal Government or the people of Puerto Rico—in order that they may be adequately dealt with. The Liberal Party feels that statehood not only would make the economic situation of Puerto Rico more serious than it is, or more serious than it would be at the moment of granting statehood—no matter when that moment might be—but would tie the hands of Congress and the Federal Government in perpetuity in its dealings with the economic situation in Puerto Rico.

The Liberal Party stands for the independence of Puerto Rico. There is no unfriendliness towards the United States among 98 percent of the people of my country and much less among the members of the Liberal Party. This was the party which in 1917 offered the services of Puerto Ricans to fight in the armies of the United States, before the draft act was approved. It is also the only political party in Puerto Rico which is now supporting—in the face of bitter opposition from certain sugar interests—the sugar policy of the Congress and the administration. The attitude of the Liberal Party both toward independence and toward the American people may be said to be identical with that of the followers of Manuel Quezon in the Philippines.

I need not urge upon you the very serious damage that uncertainty as to the future definitive political status of the people of Puerto Rico does to our public life. In the economic field alone this uncertainty makes it exceedingly difficult to lay down intelligent plans. You will readily understand the reason for this: Whatever economic measures would be sound if Puerto Rico were to develop its present economic and political autonomy, or become independent, would be unsound if Puerto Rico were ever to become a State. And vice versa.

The issue is this: One line of economic development will have to be taken if Puerto Rico is ever going to be made a State against the wishes of a very large part of its population; another line of economic development will have to be taken if Puerto Rico is either to remain in its present status, or develop its present autonomy, or be independent. We are at the crossroads. We must plan for the future; and we must plan without delay. It is for the reason that we most emphatically urge that whatever the decision it should be prompt and so clear-cut as to leave no room for doubt.

Faithfully yours,

LUIS MUNOZ MARIN.

EXPLANATION OF THE LIBERAL PARTY'S VOTE AGAINST STATEHOOD—OFFICIAL DOCUMENT OF THE SENATE AND HOUSE OF REPRESENTATIVES OF PUERTO RICO

The undersigned senators voted against the resolution that solicits the admission of Puerto Rico as a State of the American Union, and being authorized by the senate to explain their vote, now do so in the name of the Liberal Party.

The party which we represent, which embodies by many thousands of votes the largest volume of public opinion in Puerto Rico, sets forth in its platform the desire that the independence of Puerto Rico be granted by the United States. In making this statement, we do not wish it to be understood that the idea of independence versus statehood has been under discussion during the consideration of the present resolution. What has been under discussion is whether statehood is desirable or undesirable with respect to the legitimate interests of our people. We affirm the independence program of our party as a firm expression of the wishes of our constituents and as a very important fact that throws light on whether statehood is desirable or undesirable from the point of view of Puerto Rico, possible or impossible from the point of view of the United States. That this fact may be presented with its full implications, we also affirm our unalterable purpose to oppose statehood in the present and in the future, under whatever political circumstances may prevail in Puerto Rico or in the United States. We hold that such status, although it is not objectionable on grounds of dignity, should always be rejected from motives related to the distinct culture, language, traditions, and personality of our people, and also from motives related to the supreme economic interest affecting the sustenance of our population and the necessity that the powers to fight our economic ills—whether these powers be in the hands of our people or in the hands of the Government of the United States—shall never be congealed into rigid and perpetual limitations.

Therefore, without considering at this time the objective of our party, we affirm that it is extremely dangerous and, therefore, undesirable that the relationship of Puerto Rico with the fiscal system of the United States as the latter is fixed and limited by the Constitution shall be fixed and confirmed in perpetuity. This we consider potentially as undesirable for the United States as for Puerto Rico. Complete powers should always exist to limit, transform, or readjust this relationship at any moment in which the needs of Puerto Rico or the legitimate interests of the United States should so demand. These powers can exist both under the American flag, as they do now, or under the flag of a free republic of Puerto Rico. In the first case, the powers rest with the Government of the United States. In the second case, they would rest with the representatives of Puerto Rican sovereignty and the representatives of United States sovereignty. But in either case, the powers subsist for attacking the economic problems of Puerto Rico with entire flexibility, as may be demanded by the convenience, the necessities, and the convictions of both peoples at any given moment.

The need of maintaining this flexibility has been evident at all times, and it was so recognized by the Government of the United States in drafting the Treaty of Paris, which invests Congress with flexible authority over the affairs of Puerto Rico; and it has been so recognized by the Supreme Court of the United States in all of its decisions affecting Puerto Rico handed down from the Spanish-American War to date. (See Original Insular cases, Balzac case, etc.)

The position of those who drafted, signed, and ratified the Treaty of Paris was that it should not be in any manner understood that the United States were incorporating or assimilating Puerto Rico, much less that they pledged to make it a State of the American Union; and this they did evidently in protection of the United States with reference to the most vital factor of

their existence, which is their territorial nationality, as distinguished from their territorial jurisdiction, and in protection also of the people of Puerto Rico, whose life, prosperity, and culture would have been gravely menaced if the limitations of a rigid uniformity had been established in the juridical relationship of Puerto Rico and the United States. American citizenship has not changed this situation, as is demonstrated by the unanimous decision of the Supreme Court in the Balzac case (1921). It is interesting to note that the opinion in this case was written by Chief Justice Taft, one of the few public men thoroughly familiar with the relationships between the United States and the territory acquired as a result of the Spanish-American War.

The wisdom of this policy and the intelligence of its motives have been demonstrated in the past and up to the present by the relationships between the Government of the United States and the government of Puerto Rico. From the beginning, Puerto Rico was allowed to retain in its treasury the receipts obtained through the American tariff in Puerto Rican customhouses. Puerto Rico was also exempted from the payment of the miscellaneous internal-revenue taxes; and in 1916 Puerto Rico was granted the power to accept, revise, or abolish Federal income-tax legislation.

In 1927 the government of Puerto Rico was granted authority to impose excise taxes collectible at the ports of entry, provided they were equally assessed on similar goods produced on the island; and in 1930, in the Smoot-Hawley law, Puerto Rico was granted the right to impose a tariff on coffee imported from the United States for the protection of its soundest agricultural activity. Measures that have been absolutely necessary to the very existence of the government of Puerto Rico could not have been adopted if the authority exercised in Puerto Rico had not been flexible and broadly adaptable to the vital needs of our government.

Necessary as this flexible relationship has been so far as our government is concerned, it is much more necessary so far as our whole community is concerned; and as a fact this begins to be so recognized.

The economic ills developed in Puerto Rico during 36 years, added to those that already existed before the American regime, demand, in order that they may be attacked with any possibility of success, the greatest liberty of action vested in the authority called upon to solve them, whether this authority be that of the people of Puerto Rico or that of the Government of the United States. In 1927, as has been noted, the last special measure in favor of the government of Puerto Rico was adopted; and in 1930—when the imposition of a tariff on coffee by the Puerto Rican Legislature was permitted by act of Congress—the first special measure for the benefit of our economy, not merely as a government but as a people, was adopted.

The economic situation that makes it of such great importance to maintain an entire flexibility in the juridical relations of Puerto Rico with the United States is well known. The system of economic development established in Puerto Rico has caused the loss of their lands by many thousands of farmers, concentration of the land in the hands of a small nucleus of corporations, most of them absentee, the annual exodus of a considerable part of the wealth produced, the peonage of a great group of those that formerly owned the lands which they cultivated, the imposition of what is practically a single-crop system, arbitrarily controlled by political forces over which our people exert no power, the decrease in the production of foodstuffs, and the consequent compulsion to buy in the external market, at high prices with low wages, the food that is consumed. And as a constant note, every year more ominous, the implacable growth of the population.

It is evident that if the most energetic measures are not taken by an authority—whether of the people of Puerto Rico or of the Government of the United States—that may plan, legislate, and execute without juridical obstructions that are unnecessary, or nongermane to Puerto Rican realities, the country will continue its march toward a social catastrophe of major proportions. This may come upon us this very day in the form of an epidemic which, in the words of Mrs. Roosevelt, "might arise in the slums and sweep the island", infecting American and Caribbean ports. But, even in the best case, such social catastrophe can hardly be delayed more than 20 years.

The possibility of producing the major part of our food, of our clothing, of our shoes; the possibility of going beyond the limits of the one-crop system, the possibility of reconquering the market for our coffee and of opening a way in local and outside markets for the industrialization which is necessary if production and population are to be equalized and chronic unemployment is to be stopped—all these possibilities are based on the prerequisite that public efforts in Puerto Rico, whether by the people of Puerto Rico or by the Government of the United States, should not be limited in the manner in which they are limited in the States of the American Union. No better proof could be adduced of the universal recognition given in Puerto Rico to the need of preserving this flexibility—which statehood would make perpetually impossible—than the supplementary petition for economic measures, incongruous with statehood, contained in the very resolution petitioning for statehood.

In a country in which the broadest powers are needed to attack problems which, if transposed to the scale of the United States, would cause a revolutionary outbreak in 24 hours—what powers does statehood confer? What improvement in the economic status does statehood offer even over the present colonial system? What additional powers could statehood give us for solving the problems which confront us with such peremptory insistence? Not a single economic power would be added. On the other hand, we should have to pay Federal internal revenue taxes and the Federal income tax. Statehood would immediately put us in a worse economic position than that existing today or that existing at the time it was granted. It would make forever impossible the exercise of powers which, without statehood, Congress has already granted us, or can grant us at any time when it is deemed convenient or necessary to do so. To ask for statehood under these circumstances seems to us as absurd as for a man drowning in a tempestuous sea to beg for an honorary bronze medal suspended from a heavy chain instead of clamoring for a lifesaver.

From the point of view of the United States statehood seems to us none the less absurb. The United States have nothing to gain by embarking on a new and dangerous policy of noncontinental States. It is conceivable that if the people of Puerto Rico unanimously asked for it they would grant us statehood, as an act of extreme generosity to please the wishes of a people, even without any benefit and with grave risks to the American Nation itself. But it is not the people of Puerto Rico who ask for statehood. It is requested in the present resolution by the Republican Party, which in the last elections was backed by 29 percent of the electorate. The Socialist votes cast in the legislature in favor of the resolution were explained in the following manner by the president of the Socialist Party, Mr. Rafael Alonso Torres, member at large of the house of representatives:

"If it were not for the plebiscite clause contained in the resolution, the representatives of the Socialist Party would not have been able to vote for it, since the platform of our party, although it expresses the aspiration of living in close relationship with the American people, does not, however, contain any specific solution as to the final political status of the Puerto Rican people.

"The plebiscite means that the Puerto Rican people will have an opportunity to vote for or against the State constitution, which may be drafted if Congress passes an enabling act permitting the people of Puerto Rico to convoke a constituent assembly and to draft and prepare a constitution, which must be approved by the United States Congress, to admit Puerto Rico as a State of the American Union.

"The Socialist Party has in its platform the declaration that any solution that may be given to the question of the political status of the island must be approved by the direct vote of the Puerto Rican people in a free and impartial election, in which each voter has the opportunity to cast his ballot without restraint of any sort and in complete accord with the dictates of his conscience.

"Furthermore, the resolution has been amended in such a way that it contains the fundamental points and the economic principles for which the Socialist Party has striven during its existence. If it were not for these clauses we should not have been able to vote for the resolution which seeks to have the United States Congress resolve the political status of Puerto Rico, through suffrage, as a State of the American Union.

"It is for these reasons that we have voted in favor of the resolution."

As may be seen, the Socialist votes were not cast in favor of statehood. They were cast under the understanding that the resolution requests for the Puerto Rican electorate an opportunity to reject it. They have also been cast on the basis of the economic clauses contained in the resolution presented by the Republican Party, and which the Socialist Party, as well as the Liberal Party, consider beneficial for Puerto Rico. Since the majority of these clauses solicit measures antagonistic to and incompatible with statehood, measures which, if put into effect, would place Puerto Rico further still from the possibility of becoming a State of the Union, the Socialist Party and the Liberal Party, as well as the Republican Party itself, insofar as its backing of these clauses is concerned, have in effect voted against statehood.

As far as the plebiscite is concerned the clause in the resolution which solicits it simply does not make sense in reference to Puerto Rico, and constitutes, of itself, a demonstration of how distant from our realities statehood is. When the people of the Territories voted on their proposed State constitutions, through plebiscites, the vote was never on the issue of whether or not the people wanted to have the Territory become a State of the Union. The desire to become part of the Union was always unanimous among the inhabitants of the Territories, because of their contiguousness to other Federal States and because they were formed by emigration of the people from those States, who carried to the deserts or to the sparsely populated regions the same language, the same culture, the same traditions, and the same personality as a people. What was put to the vote in the Territorial plebiscites was never the idea of statehood but the specific character of the State constitution under which, with the approval of Congress, the new State was to be inaugurated.

In Puerto Rico, as we have seen, the situation is very different. The most powerful party in the country is against statehood. The Socialist Party votes for it, for the sake of solidarity with its ally, and because the resolution apparently contains a petition for power to reject statehood, and because it also contains a request for economic measures beneficial to the people, although antagonistic to and incompatible with statehood. And the Republican Party presents and votes for the resolution with the very economic measures which are antagonistic to and incompatible with statehood.

We do not go into an extensive consideration either from the legitimate point of view of Puerto Rico or from the equally legitimate point of view of the United States, of the racial, cultural, and spiritual factors involved in the whole question, because we consider, on the one hand, that the significance of these

factors is all too evident and that, on the other hand, the economic realities which we have pointed out are of themselves overwhelming in their force.

ANTONIO R. BARCELO,
LUIS MUNOZ MARIN.

H.R. 9790—THE INJUSTICE OF THE TAX ON COCONUT OIL IMPORTED FROM THE PHILIPPINE ISLANDS

Mr. McDUFFIE. I also desire to extend my remarks further in the RECORD with reference to the tax on coconut oil.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McDUFFIE. Mr. Speaker, under leave to extend my remarks, I beg to call respectfully the attention of the Congress to H.R. 9790. This bill is now pending before the Ways and Means Committee, a copy of which is herewith submitted:

A bill to amend section 602½ (a) of the Revenue Act of 1934.

Be it enacted, etc., That the provisions of section 602½ (a) of the Revenue Act of 1934 shall not take effect with reference to coconut oil brought into the continental United States from the Philippine Islands or to coconut oil produced within the continental United States from copra brought in from the Philippine Islands, the growth or product of those islands, until the President of the United States, after a full investigation of the trade relations between the Philippine Islands and the continental United States, shall by proclamation declare that the tax provided by this section will not substantially injure trade relations now existing between the Philippine Islands and the continental United States and shall fix a date for going into effect of the same.

I doubt if in the history of all the relationship and dealings between a great government and a dependent people within the last century there is a case on record fraught with more injustice and a greater lack of fair play than the imposition of the tax of 3 cents per pound on coconut oil, the second largest industry of the 14,000,000 inhabitants of the Philippine Islands.

I should like again to call to the attention of the Congress the fact that after conferences between authorities of the islands and those of our own Government, the so-called "independence act" was passed with certain understandings. Amongst those understandings was one to the effect that the importation of Philippine products to this country would remain in status quo until the inauguration of the interim government, which it is hoped will be initiated within 12 months, and which is the first great step leading to final and complete independence. When the new government is inaugurated free importation will be curtailed 40 percent.

The Filipino people, in accordance with their agreement, carried out their part of what may properly be termed a "contract" by unanimously accepting the independence act, acting through its legislature in joint session on May 1, 1934. Within 10 days after this compliance on the part of the Filipino people with their part of the contract, this great Government breached its agreement by an act of Congress placing a tax of 3 cents a pound on coconut oil, the second largest industry of the islands. This tax is not a tax; in effect, it is an embargo tariff.

Seventy percent of this oil goes into technical use for which we have no substitute in this country. The farmer, the animal-fat producer, and the manufacturer of tallow have been led to believe that this oil is a great competitor, while as a matter of fact the figures do not justify such an assumption. It is a known fact that cottonseed oil does not make good soap. It is also known that the spread between oleomargarine, for which coconut oil is used, and butter fat is so wide, regardless of the tax imposed, that the competition of oleomargarine cannot be eliminated. People will continue to buy the cheaper butter so long as we permit it to be manufactured in this country. No tax of any kind is placed upon tallow, which is made largely from the refuse of kitchen restaurants and garbage. The benefit to flow to the animal-fat producer is infinitesimal according to all figures pertaining thereto, which have been set forth in the CONGRESSIONAL RECORD from time to time.

On the other side of the picture we have, first, the desire of our people to grant complete independence to the Philippine Islands; secondly, the Filipinos have always been amongst our best customers in the purchase of American-made products—they are our first customers in the purchase of dairy products; thirdly, the trade of these islands must inevitably fall into the hands of Japan, and already an offer has been made by the Japanese Government to establish free trade with the Philippine Islands.

The Imperial Chamber of Commerce of Japan has visited the islands and offered them capital as well as labor. With cheap labor they will take over the coconut-oil industry, together with the soap industry, and sell soap in America more cheaply than we can make it. This means, of course, injury to the American farmer and the American laborer, as well as driving a major industry to foreign lands. There would be no way to meet this Japanese competition without an embargo on Japanese goods, which might indeed lead to serious international complications.

It is altogether possible that in addition to the existing stagnation which we now find prevalent throughout the coconut-oil industry loopholes will be found which will permit European companies to circumvent the tax we have imposed while our American and Philippine companies will be helpless.

In the refining of coconut oil and palm-kernel oil to condition these oils for edible purposes, a by-product is produced which, after further processing, results in relatively pure fatty acids of these oils. The European method of refining, which has never been used with any degree of success in this country, produces exceptionally high-quality fatty acids, which in a great many instances can completely replace either coconut oil or palm-kernel oil in the manufacture of soap. These fatty acids will impart to the soap essentially the same characteristics as though regular coconut oil or palm-kernel oil were used.

In our present tariff schedules coconut-oil fatty acids are not classed as coconut oil, and we do not see how the excise tax law could possibly be construed to apply the excise tax to these fatty acids. The European refiners could lay down their high-quality fatty acids at New York with the nominal ad valorem duty applying on them paid, and still greatly undersell coconut oil subject to the excise tax. These fatty acids would, of course, replace just that much more of the limited amount of coconut oil which American consuming industries could normally be expected to use in spite of the excise tax applying on it.

There will unquestionably be a sharp curtailment in coconut-oil consumption as a result of the application of the excise tax on it. The importation of these fatty acids will be an added factor in causing sharper curtailment of coconut-oil consumption, and illustrates the type of loophole through which the circumvention of this excise tax will be possible.

It is doubtful if we can produce any substantial quantity of coconut-oil fatty acids of refined oil. Their large production in Europe is only possible by reason of the large consumption of palm-kernel oil and coconut oil for edible purposes. In our opinion, the European refiner will find a very profitable market for these fatty acids in the United States, while the American and Philippine companies will be helpless to compete with this product.

The effect thus far of the enactment of section 602½ (a) of the Revenue Act of 1934 on the coconut-oil industry has been little short of a complete paralysis. There is now practically no movement of coconut oil, except in very limited quantities which are the result of contract commitments made previously to the enactment of this tax, and for which the vendee has been unable to arrange for either deferment of the delivery or complete cancelation of the contract.

The depressing picture revealed by a comparison of present sales with sales for corresponding periods in other years is further intensified by a comparison of recent deliveries with the past deliveries for corresponding periods in other years. Deliveries during the May accounting periods in 1933 and 1932 averaged between 15,000 and 18,000 barrels. For this same period in 1934, deliveries have totaled only 3,000 barrels. Expressed in percentages, these 1934 deliveries were less than 20 percent of the deliveries made during 2 of the worst depression years. From the foregoing analysis of sales for future delivery positions, it is not dif-

ficult to predict the alarming extent to which our future deliveries may be expected to decline.

I herewith submit statement by the Standard Statistics Co., on June 13, this year, relative to coconut oil.

[Analysis by Standard Statistics Co., June 13, 1934]

COCONUT-OIL POTENTIAL BLOW TO ALKALI PRODUCERS

In an endeavor to kill oleomargarine as a competitor of butter, the farm bloc succeeded in writing into the recent Treasury revenue bill a processing tax of 3 cents a pound on coconut oil. Coconut oil sells for 2 cents a pound; hence the tax is 150 percent of the product's value. The error, from the standpoint of the soap and alkali trades, was that the measure did not specify that the tax was to apply only to edible oil, and although the President will have the power to halve the levy, a tax of even 1½ cents per pound might not be sufficient to save the cheap, white-soap branch of the domestic industry. Fortunately, it happens that Procter & Gamble, Colgate, and other leading producers of soaps embodying a considerable coconut-oil content own factories in Canada, or abroad, and there is neither a tariff on the importation of cheap soap into the United States nor one on the importation of coconut oil into Canada. The big soap makers consequently are not greatly worried. But the domestic alkali people are. If the major concerns transfer their operations to Canada, they will be required to use British alkali. And unless some way can be found to greatly reduce the coconut-oil levy where the product goes into soap, there is small question but that a substantial share of the cheap soap manufacturing business, along with its alkali requirements will move over into Canada or go abroad. Such a move would boost costs slightly as compared with those in force in the United States at the present time, but the increase would be considerably less than that involved in the coconut-oil tax. The soap industry is not the major user of soda ash or caustic soda, but it does account for about 12 percent of total soda ash and in the neighborhood of 15 percent of this country's caustic soda consumption. The glass, general chemical, petroleum, and rayon industries take substantially larger proportions of the domestic output of both.

Stocks: Of the concerns in which there is a general market interest, Allied Chemical, Mathieson and Westvaco Chlorine Products are the most important of the soap alkali producers. Facts and Forecasts is recommending switch of the first named and retention of the other two.

Although the situation at present, and as it may be expected to continue for many weeks to come, might be somewhat worse than it may be expected to be after existing stocks accumulated in anticipation of the enactment of this tax have found their way into consumption, there will doubtless be a very substantial curtailment in the consumption of coconut oil, as reflected by developments since this excise-tax legislation was first considered by the respective congressional committees.

Every business engaged in manufacturing soap is much concerned with the possibility that the reduced volume of consumption will be inadequate to permit anything like an efficient scale of operations in their crushing plants. They have been compelled to curtail their operations in Philippine mills to such an extent that it is difficult to reduce them further without a complete shut-down. Indeed, this complete shut-down may be expected if there is not some improvement manifested in the near future.

Unfortunately the devastating results of legislation of this type are not immediately perceptible to those responsible for its enactment; hence, it is difficult for them to realize the serious consequences which will inevitably follow their legislative endeavors. It is hoped, once the ruinous effect of this legislation is fully apparent to the consumer, to the coconut-oil consuming industries, and, most important, to the Philippine copra producers, there will be more of a disposition on the part of the public to support the President and those friends of the Philippine people in Congress in the position they have taken to bring about the repeal of this excise tax as it relates to Philippine coconut oil and copra.

Free trade between the United States and the Philippine Islands for the last quarter of a century has proved a blessing both to the islands and to the United States; and as Japanese bid for that blessing, it is impossible to forecast the reaction of the Philippine people.

It must be expected, however, that the Filipinos will take all necessary steps to find an outside market for their products, and what is the result? The answer is that we are losing the best customer we have in the Far East and we are cutting ourselves off from a profitable market.

Manila is the front door to the Orient for us, and the time may come when we will need more than ever the friendly interest and business associations of these 14,000,000 people.

The blindness of certain interests in this country that have propagandized the Congress and the American people in shutting out coconut oil under the guise of a tax is inviting trouble for this Nation. The President of the United States endeavored to keep faith with these dependent people, and when the trouble comes it cannot be laid at his door, but the Congress of the United States must answer for the embargo on coconut oil and all of its dire results, both at home and abroad.

OUR NATIONAL ARCHIVES BUILDING—WHAT SHALL WE DO WITH IT?

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include a statement written by the clerk of the Committee on the Library of the House of Representatives with regard to the Archives Building.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLOOM. Mr. Speaker, under specific leave this day granted, I insert in the RECORD an article which appeared in the Washington Star on Sunday, June 10, 1934, by John G. Bradley. The subject of this article is "Our National Archives Building—What Shall We Do With It?"

The article by John G. Bradley, clerk of the House Committee on the Library, is set forth herein as follows:

Our National Archives Building, located between Pennsylvania and Constitution Avenues at the point of the Triangle, is nearing completion. When the scaffolding shall have been removed and the building dedicated one will view a magnificent structure. Its symmetry, its fine proportions, its great mass coming up out of the earth, and its solidarity will catch the eye and stir the heart of the most casual passerby.

But if one would appraise this building justly he cannot depend merely on its physical appearance. He must read into it some of the hopes and struggles of the past. Only through a knowledge of its history, its purpose, and its future possibilities can this pile of stones be transmitted into the thing it really is. At best this thing you see is but the outward and incomplete reality of a dream born over a half century ago and which encompasses many centuries to come. An incomplete reality for the reason that no legislation as yet has been provided for its administration. But more of that later. First, let us start at the beginning. The first public record of arguments in behalf of some kind of an archives building shows the date of 1878, although it had been discussed many years before that. This is contained in the Annual Report of the Secretary of War, McCrary, quoted, in part, as follows:

"The Quartermaster General calls attention to the danger of destruction of records of great value to the Government and to its citizens * * * and urges that a building be constructed as a hall of records. * * * In this he proposes that the records not in daily use of the several executive departments be stored, under charge of competent superintendents and watchmen, to be properly filed and easy of access."

In his annual message of 1878 President Hayes commended to the favorable consideration of Congress the recommendation of the Secretary of War "that provisions be made for the erection of a fireproof building for the preservation of certain valuable records, now constantly exposed to destruction by fire." These arguments were continued without results until December 1880, when a fire broke out in the War Department, threatening the loss of valuable papers. On February 8, 1881, another fire broke out in the War Department, and 2 days later the Senate passed a bill providing for $200,000 to erect a hall of records, but it died for lack of action in the House. This was the Forty-sixth Congress. The Forty-seventh, Forty-eighth, Forty-ninth, Fiftieth, Fifty-first, Fifty-second, and Fifty-third Congresses passed similar bills in the Senate, but the House, in spite of the fact that this legislation was sponsored by Presidents Arthur and Cleveland, never concurred. While the Secretary of War was the first Cabinet member to advocate this, later others joined in the fight, until by 1902 five additional Cabinet members had joined the movement. Year after year they included in their annual reports recommendations for a hall of records. An extract from one of these reports will suffice:

"The departments are crowded with files of official papers to the detriment of the working force and the serious inconvenience of the public business. Costly public buildings erected for office purposes should not be used for storage. The files not in current use should be stored elsewhere. A hall of records becomes more and more necessary each year."

From the Fifty-fourth to the Fifty-seventh Congress 25 bills were introduced on this subject without material result. A quotation from Senator Vest, of the Fifty-seventh Congress, is significant:

"This bill has been before Congress for 20 years. Every department of the Government, and especially the Treasury Department, I had almost said, begged that it might be passed. If a fire should take place tomorrow * * * it would involve the Government in the loss of millions of dollars."

In 1907 President Theodore Roosevelt took up the fight. In 1908 Secretary of the Treasury Cortelyou said:

"The necessity for some structure of the character described grows constantly. An investigation made in 1906 showed that the files then on hand in all the buildings under the control of the Treasury Department in Washington and in space rented exclusively therefore occupied over a million cubical feet and that they were accumulating at the rate of over 25,000 cubical feet per annum. The condition of these uncurrent files is precarious in the extreme."

Late in 1908 the American Historical Association joined in the fight and appointed a committee, including Dr. J. Franklin Jameson, then of the Carnegie Institution, of Washington (now of the Library of Congress, Division of Manuscripts), to study the problem. And it is only fair to say that to Dr. Jameson belongs much of the credit for carrying on the fight since, resulting in the final legislation for the Archives Building under discussion.

That conditions had grown intolerable is evidenced by a report issued by Dr. Jameson in 1914, extracts of which appear below:

"Not a mile from this spot, for instance, there is a warehouse in which the papers of the Treasury Department have simply been dumped on the floor—boxes, bundles, books, loose papers—till the pile reaches well toward the ceiling; and no man knows what it contains or could find in it any given book or paper." * * * Referring to the Treasury Building, he says: "In its attic story several miles of wooden shelving contain old Treasury papers, closely packed together and dry as tinder, which up to the present time have not succumbed to spontaneous combustion under our August sun." * * *

"If by mistake one goes to the old building of the Corcoran Art Gallery instead of the new, he will be compensated by the unusual sight, in the basement, of a body of Government records so stored that in a dry season they can be consulted by any person wearing rubber overshoes, while in a wet season they are accessible by means of some old shutters laid on the basement floor. At the General Land Office (really the worst case of all) he may see a body of archives representing the title to 400,000,000 acres of formerly public but now private lands, stored in a place not, I think, as fit for the purpose as the average coal cellar * * *. If he goes into the Pension Office Building, he will find the rich and interesting archives of the Indian Office stored in the courtyard. As he looks at the small dome that surmounts the House wing of the Capitol he may reflect with pleasure that the old files of the House of Representatives are stored, in open boxes, in a manner not unlike that formerly followed by country lawyers, in the stifling heat of the space between roof and ceiling of the dome. Danger of destruction by fire is constant under such circumstances. It is surprising that fires have not been more frequent. But they have occurred several times in former years, and only last summer a fire in the building of the Geological Survey burned up papers which it had cost $100,000 to produce. There are a half a dozen places in Washington where, if an extensive fire should break out, by burning up the documents with which claims against the Government are defended, would cause the Government to lose several times the cost of a good archives building."

Thus we have a sketchy view of past events leading up to the construction of the National Archives Building. But not all stories end with "and they were married and lived happily ever after." Although the building itself is an almost completed reality, there is no legislation to cover its use; and unless something is done soon, Congress will adjourn and leave a $10,000,000 investment standing idly waiting. And the intolerable conditions described by Dr. Jameson (although somewhat relieved in certain departments by the addition of new buildings) will continue. We are still depositing valuable records in odd places all over the city, and the danger from crowding, rotting, excess heat, and fire still exists, while the factor of inaccessibility mounts by geometrical progression as the months go by.

Fortunately, however, in view of these conditions, there is a ray of hope in that the Bloom bill, H.R. 8910, has already passed the House. This is an excellent bill and makes adequate provisions for the known situations likely to arise in this regard. It also anticipates most of the future and unknown situations as far as possible. Characteristic of Mr. BLOOM's research technique, he dug deeply into this subject, collected and analyzed the laws and regulations of foreign countries governing their archives, and counseled with prominent historians and archivists in this country. While perhaps not a perfect bill, it should be remembered that a perfect bill (if there be such a thing) can be written only on the basis of actual experience over a period of years with our own peculiar problems. It is, however, worthy and adequate for our present needs.

This bill passed the House on April 16, 1934. On May 28, 1934, the Senate Committee on the Library reported it out favorably, but only by deleting everything except the enacting clause and substituting the language and the provisions of the McKellar bill, S. 3681. If the Senate should pass this amended version of the Bloom bill, it will then come back to the House for approval. If the House should not concur, the next step will probably be the appointment of a committee of conferees to work out some kind of a compromise measure. It is sincerely to be hoped that this can be done and the necessary legislation passed before Congress adjourns. An early appointment of an archivist is much to be desired, as he can contribute materially to the building's usefulness by advising on the arrangement of shelves, vaults, and space in general, and thus expedite an early and much-needed use of the building.

But legislation, any kind of legislation, does not solve the problem. It is all important that the right kind of legislation be passed. A half century or more in getting a building is but a span compared to the centuries ahead of us. With the experience of the past, however brief, to guide us, it seems altogether fitting that some kind of public policy should be adopted, at least to point the direction of our journey. Perhaps this might be called a national policy or consciousness of permanency. As a people and as a nation we are guided too much by the demands of expediency. In respect to our buildings and our records we have not yet learned to think in terms of centuries. Perhaps we are too young to have had to face such a problem. Perhaps in the fullness of our youth we have been too busy developing our resources and exploiting our frontiers.

For example, it has been said by those in a position to know that 1,000 years hence Egyptian records will be more legible than the records of our present day history. Or to put it in another way, Egyptian records 5,000 years old will be in better condition than American records only 1,000 years old. In fact, under present conditions few of our records will do well to last even 500 years, and probably 100 years would be a fairer estimate.

The Egyptians (and other ancients as well) carved their records on stone and wrote them with good ink on good paper. They built their pyramids and vaults in dry places where the aridity would lessen erosion. They built solidly and painstakingly. But we, for the most part, write and print with poor ink on poor paper made from wood pulp which has been broken down by acid. This acid, in turn, has an affinity for the moisture of our climate so that in a few years the texture of the paper starts to degenerate. The ink becomes flaky and falls off. Under such conditions our records become fragile and easily destroyed. Their handling becomes a delicate and expensive matter. In order to perpetuate them, photography or engraving has to be employed. Or what is still less satisfactory, hand-made replicas or printed copies have to be made.

Again, fortunately, there are a few men who are giving considerable thought to this very problem. Experiments in new kinds of paper are being conducted. The science of air conditioning is moving forward. All these will help. Then there is sound recording (the Bloom bill contains provision for this) and motion-picture recording. Not only can sound be recorded on films and on disks (by needles) but on metal bars by electrical process that is said to rearrange the molecular pattern. This latter is still in the process of experimentation and amounts as yet to hardly more than a scientific rumor as far as commercial usage is concerned.

When the Bloom bill was being written attention was called to a new recording disk made of aluminum, which is supposed to last 10,000 years or more. What would it mean to us now if we could hear the voice of Lincoln or Washington; of Jesus or Buddha? What an insight to their character, their force, or gentleness would this reveal? What a heritage to our children and our children's children to pass on down through the ages the voices of great men and women of this age before it is too late?

And motion pictures (this provision is specifically mentioned in both the Bloom bill and the Fess bill). By this magic we can record the manners and customs as well as the costumes of the passing generations; events of peace and war; the motion of our great machines which may seem feeble a few centuries hence; and of a transportation system still on wheels fighting the bottle necks of traffic. How stupid that will appear 100 years from now! And in this connection it is interesting that already one great film company has indicated its readiness to donate free of charge valuable collections of motion pictures to our national archives as soon as we are ready to receive them.

Speaking of permanency, why stop with five or ten thousand years? Gutzon Borglum talks casually of a million years hence and is carving his great figures at Mount Rushmore to last even longer than that. He remarks with a snap of his fingers that his work will survive two or three glacial periods. He talks of an epoch when even the English language may not be known and is planning to fix the date of his work in the stars. But that is another story, albeit one from which we should receive inspiration.

Regardless of what legislation is enacted into law, it should look well to the future, far into the centuries set in a row and waiting. The details of transferring public documents and manuscripts to the building; flexible mandates, ironclad mandates, or no mandates at all; and the matter of supervision of the building are, after all, just details. A competent archivist and the archives competently administered will solve most of the problems, providing we think more than a few years in advance. And provided further we do not wait too long, until some of our early and priceless things are irretrievably lost.

PRINTING OF PROCEEDINGS OF JOINT SESSION COMMEMORATING THE DEATH OF GILBERT DU MOTIER, MARQUIS DE LA FAYETTE

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I send to the desk a privileged resolution (H.Con.Res. 39, Rept. No. 2051) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be compiled, printed with illustrations, and bound in such manner as may be directed by the Joint Com-

mittee on Printing, 15,000 copies of the proceedings at the joint session of the two Houses of Congress in the Hall of the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier, Marquis de La Fayette, together with such other matter as the committee may deem pertinent, of which 3,000 copies shall be for the use of the Senate, 7,000 copies shall be for the House of Representatives, and 4,000 copies for the use of the Joint Committee on Arrangements.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That there shall be compiled and printed with illustrations, in such manner as may be directed by the Joint Committee on Printing, 7,000 copies of the proceedings at the joint session of the two Houses of Congress in the Hall of the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier, Marquis de La Fayette, together with such other matter as the committee may deem pertinent, of which 1,500 copies shall be for the use of the Senate, 3,500 copies shall be for the House of Representatives, and 2,000 copies for the use of the Joint Committee on Arrangements.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. LAMBETH. I yield.

Mr. MARTIN of Massachusetts. Is this to be distributed to the Members through the document room?

Mr. LAMBETH. Yes, sir.

The committee amendment was agreed to.

The resolution as amended was agreed to.

A motion to reconsider the vote whereby the concurrent resolution was agreed to was laid on the table.

PRINTING OF PRAYERS BY THE CHAPLAIN, REV. JAMES SHERA MONTGOMERY, D.D.

Mr. LAMBETH. Mr. Speaker, I present for the present consideration of the House, House Concurrent Resolution 44 (Rept. No. 2052).

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That 2,500 copies of the prayers offered by the Reverend James Shera Montgomery, Chaplain of the House of Representatives, at the opening of the daily sessions of the House during the Seventy-second and Seventy-third Congresses, be printed and bound for the use of the House of Representatives.

The concurrent resolution was agreed to.

A motion to reconsider the vote whereby the concurrent resolution was agreed to was laid on the table.

CALL OF THE HOUSE

Mr. MILLIGAN. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-six Members are present; not a quorum.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 196]

Abernethy	Clark, N.C.	Hollister	Perkins
Andrews, N.Y.	Collins, Calif.	Huddleston	Prall
Auf der Heide	Collins, Miss.	Jeffers	Richardson
Bacharach	Connery	Kennedy, N.Y.	Sadowski
Bacon	Corning	Kleberg	Sandlin
Bailey	Culkin	Kramer	Schuetz
Bankhead	Cummings	Lee, Mo.	Scrugham
Beedy	De Priest	Lesinski	Seger
Berlin	Dickstein	Lindsay	Shoemaker
Boland	Douglass	Lozier	Simpson
Brennan	Doutrich	Luce	Smith, Wash.
Brooks	Dunn	McClintic	Smith, W.Va.
Brown, Mich.	Fernandez	McKeown	Snell
Browning	Fish	McLean	Somers, N.Y.
Buckbee	Ford	McLeod	Studley
Burke, Calif.	Fuller	Mansfield	Sullivan
Cady	Gambrill	Marland	Sumners, Tex.
Cannon, Wis.	Gasque	Montet	Swank
Carley, N.Y.	Gifford	Moran	Terrell, Tex.
Carpenter, Nebr.	Goldsborough	Moynihan, Ill.	Thurston
Chapman	Griffin	Norton	Traeger
Chase	Griswold	O'Connell	Treadway
Church	Haines	Palmisano	Withrow
Claiborne	Hamilton	Peavey	Wood, Mo.

The SPEAKER. Three hundred and thirty-three Members have answered to their names, a quorum.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

The doors were opened.

Mr. BYRNS. Mr. Speaker, I wish to announce that the gentleman from New Hampshire, Mr. ROGERS; the gentleman from Alabama, Mr. HILL; the gentleman from Michigan, Mr. JAMES; the gentleman from Connecticut, Mr. GOSS; the gentleman from Vermont, Mr. PLUMLEY; and the gentleman from Ohio, Mr. HARTER, the subcommittee investigating purchases in the War Department, are now engaged in drawing their report preparatory to presenting it to the House before adjournment. For this reason I ask that they be excused from answering the roll call.

WASHINGTON AND LINCOLN

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a very able and eloquent address delivered by our colleague from New York, Mr. BLOOM, at Lincoln University in East Tennessee on the occasion when the degree of doctor of laws was conferred upon him the other day.

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

There was no objection.

Mr. BYRNS. Mr. Speaker, on June 3, 1934, during the commencement exercises of Lincoln Memorial University, Cumberland Gap, Tenn., an address was delivered by the Honorable SOL BLOOM on Washington and Lincoln.

Lincoln Memorial University was established by Gen. Otis O. Howard at the suggestion of Abraham Lincoln as an educational opportunity for the underprivileged youth of the southern highlands. Through the gateway of this university, which is making an applied science of the principles of Abraham Lincoln, thousands of ambitious youth have entered and qualified for efficient citizenship.

In recognition of the devotion of Congressman BLOOM to the memory of Washington and Lincoln, and his helpful influence in the practical educational program of Lincoln Memorial, on commencement day, June 4, the university conferred upon Mr. BLOOM the honorary degree of doctor of laws, the citation of which by Chancellor John Wesley Hill was as follows:

In recognition of his preeminence in law, history, and political science, his epochal services as Director of the United States George Washington Bicentennial Commission, his influence and distinguished leadership as Member of Congress from the State of New York, his contribution to social and economic progress, his patronage of higher education, and his adherence to the ideals of Abraham Lincoln.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including the very able and eloquent address delivered by our colleague from New York, Mr. BLOOM, at Lincoln Memorial University in east Tennessee on the occasion when the degree of doctor of laws was conferred upon him.

The address is as follows:

One of the memorials of the Civil War period is a large bronze plaque bearing the imposed profiles of Washington, Lincoln, and Grant, labeled, respectively, in Latin, "Father, Savior, and Protector." That this combination was not one of transitory enthusiasm due to the Nation's victory over separation is shown by the fact that the same association is to be found on the great Mall in the city of Washington, the Capital of our country. At the head of this long esplanade under the shadow of the dome of the Capitol stands the imposing statue of Grant; down in line with the White House is the sky-piercing monument to Washington, while the temple that enshrines the memory of Lincoln rests at the end, on the shore of the Potomac opposite Arlington Cemetery. With the Federal general who brought to an end the civil strife we are not here concerned. His place is secure in American recollection.

That Washington and Lincoln stand unique in our history and stand together is of wonderful interest. Never were there two great men of less outward resemblance. True, they were both tall, and both were of great physical strength; but they had nothing in common as to looks, movements, poise, or demeanor. Washington was considered a handsome man, his features sufficiently regular and expression almost always calm and under complete control. Lincoln's looks were hewn roughly, he was as his neighbors might have said, "downright homely", his face was mobile, his expression fleeting, but with a vividness that Washington's seemed to have lacked except on rare occasions. Washington was prompt, precise, careful of dress, of stately walk, and

formal courtesy. In these things the shambling Lincoln was almost complete opposite, except in innate courtesy. Washington's life was well ordered, his affairs attended to with exactitude, his mind pigeonholed. In none of these things did Lincoln show a special aptitude. Washington's sense of justice, justice to himself as well as to others, was stern and unbending; Lincoln's kindheartedness has become a national tradition. Lincoln was a shrewd politician; Washington's ear was never close to the ground, and he was little influenced by public opinion or unpopularity, if he felt that the course upon which he had decided was right and for the ultimate good of the people. Washington was a colonial-bred aristocrat; Lincoln, a prairie-raised democrat.

This string of contrasts might be made much longer, but it is essentially one of outward contrast, of methods of approach rather than of the goal, for the goal in each was the same—his country's good. And there were also resemblances. Both men were self-educated; both had little formal schooling; both were trained by experience, though Washington's was much more varied than Lincoln's was, just as his career was consequently more varied. Both had in the depths of their own character and genius the strength and force that made them leaders. Both developed the ability of clear and convincing statement of equally clear and convincing thought, though Lincoln developed a power of expression which reached, in the Gettysburg address and second inaugural, heights which Washington never attained. Both were essentially reverent. Neither gave very much thought to religious conformity or orthodox expression, though Washington was more careful in formal observances; but both had faith in an imposing beneficent Providence, whose judgments might sometimes be inscrutable but none the less were true and righteous altogether.

That faith we later Americans might well emulate as we consider the career of these two great national heroes, for never were men more divinely raised for their tasks, tasks so different that each would undoubtedly have failed where the other succeeded. Washington was called forth to father a nation, Lincoln to save one; Washington to lay enduring foundations, Lincoln to ward off the lightning that flamed to destroy the structure built on Washington's plans. The seed of our national tree was matured before Washington's day, but he planted it, bedded it securely, and saw it take form after its young growth had been watered by the blood of Revolutionary soldiers. Lincoln's task was to eradicate the disease that had fixed itself upon the well-grown and still fast-spreading limbs, the disease of sectionalism fostered by the existence of slavery.

George Washington was a scion of a family of tobacco planters in colonial Virginia. His descent was entirely English, except for a slight Huguenot-French strain from a great-great-grandmother. In the colony the plantation class was the ruling one, and its rule bred an aristocracy. The planters clung to the tidewater region, had large families, were generally land poor, much in debt to their English factors, and proud of their rights as Englishmen as they understood those rights, which, in general, meant being left alone without more than formal allegiance to the King of England or his Parliament or guidance by them.

George Washington was of the fourth generation of the family in Virginia. He was left fatherless at the age of 11 and thrown thus early largely upon his own resources. How much this misfortune, or fondness for mathematics, or an ardent love of the wilds and adventure, had to do with his choice of an occupation cannot be judged; but certainly he found in surveying, especially in the surveying of the back country, a training which began the fitting for his great career as perhaps no other calling would have done under the existing circumstances. It prepared his body as well as his mind. It brought him into close contact with the frontier settlers, which contact bred tolerance in him, and whose democracy was of even greater influence.

Observe how carefully fate guided his steps. Surveying gave him knowledge of the frontier, aided in the early maturity and judgment which attracted the attention of the leaders of the colony, and made natural his selection for the dangerous winter mission of warning to the French on the Ohio. The success of this mission and the information gained during it gave him his first frontier command and started the military career for which he professed a desire. The service in the French and Indian War furnished the practical instruction that was essential to the far wider command during the Revolution, and made his choice for that command possible.

The colonial war service over, for the next 17 years the supervising fate saw that he should be a member of the colonial legislature and show there the knowledge and reliability that brought him recognition as a civil leader. This service gave him insight respecting the developing strife between the Colonies and the British Government. At the same time he was a country gentleman, who as vestryman and church warden, justice of the peace and member of the county court, gained other training that was invaluable; and who kept his wits polished by the friction of social intercourse with leaders of his own and other Colonies. Also he was absorbed in the many problems of a thoughtful farmer and business man combined; experimenting for better methods of agriculture, meeting the troubles of rude slave labor, and worried by the crude methods and financial troubles of commercial intercourse with his British agents across the broad Atlantic. Nor did he forget his early frontier interests. Increasingly he recognized the importance of the West to the young American Nation and acquired interests there. Finally he was to share as a Member of the Continental Congress in the preliminaries of the Revolution, to start upon its vast evolution the principles of unionism and nationality.

Truly he was not flung haphazard into the still small arena of American history.

Abraham Lincoln's ancestry was also purely English and the immigrant of it came to New England even before Washington's ancestor landed in Virginia. Lincoln's forefathers went to Pennsylvania, thence to western Virginia, and finally into Kentucky, where Lincoln was born. He grew up in Indiana and made his home in Illinois. This frontier impulse and search for new lands had as attendants a fondness for democratic principles and economic progress.

The boyhood was one of unschooled and extreme poverty and all the trials of frontier existence; a severe forging such as would give proper temper only to the best metal, but which would indeed be of great value in making such metal ring true. He made various attempts at occupation, including a short military service in the Black Hawk war, manual labor, storekeeping, and surveying; and the life he led gave wonderful training to an understanding of human nature, to the development of the political sense, and to the growth of popularity and wide personal influence. His election to the State legislature was a natural outcome; and when after this first public service he began to practice law and ride the circuit his political training and leadership widened until it included the whole State. He was a good fellow, told robust stories, called people by their first names spontaneously, delighted in physical prowess, was a keen and successful lawyer, and a brilliant stump speaker. In 1847–49 he served one term in Congress. Here he made no mark. He showed himself to be a good Whig politician and party worker; but anyone who would then have prophesied the man's return to Washington as the head of the Nation would have been considered a rank visionary.

It cannot be said that he had as yet risen above party politics or showed any of the elements that were, given the right opportunity, to make him one of the world's great men. But when the opportunity came he was prepared. While his political progress was building up the following that gave him a right to be heard, the inner man was developing the principles for which he was to demand a hearing. The opportunity came with the final struggle over slavery inaugurated by the passage of the Kansas-Nebraska bill with its requirement that slavery have the right to expand. Lincoln became a champion of the restrictive policy, which all recognized as meaning slow death to the institution. The joint debates with Douglas in 1857, during their campaign for the Senate, made his reputation national; and his keen logic, trenchant sarcasm, clarity of expression, appeals for a democratic civil liberty, and the principles of the Declaration of Independence made his speeches a storehouse of wisdom for the young Republican Party. Yet his nomination for the Presidency came primarily because of his availability, and his election was due to the hopeless split of his opponents.

Truly he was flung haphazard into the now great arena of American history.

The contrast between the careers of the two men continues after their elevation to leadership. Washington was first the all-essential military commander, then dominantly concerned with framing a new government, and finally the indispensable organizer of that government into practical operation—a combined service that covered 22 years. Three years later he sank quietly to rest, mourned by the whole Nation he had so faithfully fathered. Lincoln was the mighty leader for the 4 most trying years of our history; and was struck down at the moment of triumph for his principles, and just when his wisdom was needed to guide the Nation through the period of reconstruction without the wounds and scars that resulted from the blundering management that followed the withdrawal of his master hand.

We need not dwell upon the outstanding deeds of Washington and Lincoln during the periods that made them world figures. Washington was not a military genius; he lost battles but he won campaigns. We cannot imagine that any other of the known Revolutionary characters could have kept the Army together and carried the Revolution to a successful conclusion. The military aspects of Lincoln's tasks were most important, for everything was based upon the Federal success in the field. He was sorely embarrassed by repeated failures, but it is probable that his and his civil subordinates' interference in purely military matters did more harm than good. It must be remembered, however, that it was never possible for him to consider things from a purely military point of view. Political acumen is one of Lincoln's chief claims to greatness. The all-important military success could never be achieved in a democracy without proper civil support; and he knew to a nicety how to balance the two. The Civil War might have been won sooner by a dictator; it had to be won by the consent of the people. And it was.

In civil matters Washington, as a builder, dealt more in fundamentals than did Lincoln, the preserver; and his problem was much less political in the narrow sense of that word. He had in the long years of military service and cooperation with the inefficient Continental Congress time to meditate calmly on what was needed to make the Union "more perfect" and "to promote the general welfare and secure the blessings of liberty." When the theories and experiences of himself and the other framers had been made into a Constitution, the fundamental law of the land, and he was called upon to organize and administer under it, he was able to establish the Government in accordance with his ideas, which remain to this day the foundational ones. Washington realized that a strong government was requisite, one that not only dealt with the people directly but had sufficient as well as coercive power. The Nation had to be put on a firm basis.

The opposing schools of political thought—implied powers and nationality against strict construction and State rights—which had their beginning under Washington came to the final settlement of arms under Lincoln. His task it was to see that the Government set in operation by Washington and sent forth on its march of destiny by the principles of democracy "should not perish from the earth." He had little time for meditation; he was stormed by events. He was forced by the crisis of State rights made sectional by economic conditions and demanding its logical outcome of separation; and he, bred in the great West that was the very child of the Union, knew how fatal to his country and to world progress would be the success of that demand. He must save what Washington had fathered; and he came untried to the task, with a necessity of preserving the faith of the loyal North in him as their leader and in conducting his country, which had been Washington's country, through the long soul-searing war, not only to a triumph of arms but to a removal of the economic cause of the contest and to an unquestioning acceptance of Washingtonian unionism.

The prevision which we call statesmanship showed him what the steps must be toward this great consummation; his wonderful political sense when each step could be taken. As he lay unconscious under the assassin's bullet, awaiting the flight of his soul and the beginning of his eternal fame, may we not hope that his inner mind realized how supremely he had wrought, how worthily in national honor he was to be placed next to Washington, of whom he had himself said, "In solemn awe we pronounce the name, and in its deathless splendor leave it shining on."

PROTECTION AND PRESERVATION OF DOMESTIC SOURCES OF TIN

Mr. FADDIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9275) to provide for the protection and preservation of domestic sources of tin, amended to read as follows:

The Clerk read the bill as amended, as follows:

Be it enacted, etc., That within 1 year from the passage of this act there shall not be exported from the United States any tin plate scrap material from which the tin can be recovered by detinning or other reclamation process, except upon permit issued by the Secretary of War in each case for exportation of specified quantities. Any violation of the provisions of this act shall be a misdemeanor and shall be punished by a fine of not more than $500 or by imprisonment of not more than 1 year, or by both such fine and imprisonment. The Secretary of War is authorized to extend the application of the provisions of this act for periods of 6 months.

The SPEAKER. Is a second demanded? [After a pause.] If not, the Chair will put the question.

The question is, Shall the rules be suspended and the bill pass?

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

NAVAL AIR STATION, PENSACOLA, FLA.

Mr. VINSON of Georgia. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1103) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to construct additional buildings, structures, roads, utilities, and appurtenances, and to remove, relocate, replace, remodel, and extend existing buildings, structures, roads, utilities, and appurtenances at the Naval Air Station, Pensacola, Fla., at a cost not to exceed $5,363,500, and said sum is hereby authorized to be appropriated.

The SPEAKER. Is a second demanded?

Mr. MARTIN of Massachusetts. A second is not demanded, Mr. Speaker, but we should like to have the bill explained.

Mr. VINSON of Georgia. Mr. Speaker, the purpose of the bill is to authorize the Navy Department over a period of years, probably 3 to 5 years, to make certain improvements at the Pensacola Air Station. In view of the fact that Congress has authorized 1,184 new planes for the Navy, it is necessary that in the course of time certain improvements be made at the naval station at Pensacola.

Pensacola is the only air station for the Navy in the United States. Conditions there are most deplorable. It is necessary among other things to acquire an aviation field, and the object and purpose of this bill is to authorize these improvements.

At each session of Congress it will be necessary for the Budget and the Navy Department to submit their recommendations to the Appropriations Committee, and Congress will have an opportunity to vote on each item when it comes up in the appropriation bill.

If any Member desires to ask a question I shall be pleased to yield.

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

Mr. VINSON of Georgia. I yield.

Mr. SUTPHIN. Does not the gentleman think it desirable, in view of the fact that we are about to expand our aviation very much, that we should have other training centers rather than concentrate it all at one place?

Mr. VINSON of Georgia. I hope we can utilize to the fullest extent the training station at Lakehurst. [Applause.]

The Committee on Naval Affairs sent two of its members to make a personal investigation of conditions at Pensacola, and upon their return they made their recommendations. This bill has the approval of the Navy Department. It has already passed the Senate.

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

Mr. VINSON of Georgia. I yield.

Mr. SABATH. What arrangements have been made for using or extending the facilities of the Great Lakes Training Station in Illinois?

Mr. VINSON of Georgia. The Great Lakes Station is not an air-training station.

Mr. SABATH. It is the most wonderful site in the United States for air training.

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

Mr. VINSON of Georgia. I yield.

Mr. BLANTON. I just wanted to say that in my opinion of all the great chairmen of the great Naval Affairs Committee who have honored this House, the gentleman from Georgia [Mr. VINSON] is the greatest. [Applause.]

The SPEAKER. The question is, Shall the rules be suspended and the bill pass?

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.

ELOY ALFARO AND JAIME EDUARDO ALFARO

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 108.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador, to receive instruction at the United States Military Academy at West Point: *Provided*, That no expense shall be caused to the United States thereby, and that said Eloy Alfaro and Jaime Eduardo Alfaro shall each agree to comply with all regulations for the police and discipline of the Academy, to be studious, and to give his utmost efforts to accomplish the courses in the various departments of instruction, and that neither shall be admitted to the academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States, and that each shall be immediately withdrawn if deficient in studies or in conduct and so recommended by the academic board: *Provided further*, That in the cases of said Eloy Alfaro and Jaime Eduardo Alfaro the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

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.

A similar House joint resolution (H.J.Res. 324) was laid on the table.

THELMA LUCY ROUNDS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the conferees on the bill (H.R. 3636) for the relief of Thelma Lucy Rounds be discharged and that the House concur in the Senate amendment to said bill.

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

There was no objection.

The Clerk read the Senate amendment as follows:

Page 1, line 5, strike out "$1,500" and insert "$270.28".

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

GEORGE WASHINGTON BICENTENNIAL COMMISSION

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3178) authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, how many of these sets are to be printed?

Mr. BLOOM. This does not increase the present publication. It merely allows a price to be put on the books so that they can be sold publicly.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to enable the George Washington Bicentennial Commission to carry out and give effect to certain approved plans", approved February 21, 1930, is amended by striking out all preceding the last sentence therein and inserting in lieu thereof the following:

"That the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington established by the joint resolution entitled 'Joint resolution authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington', approved December 2, 1924 (hereinafter referred to as the 'Commission'), is authorized and directed to prepare, as a congressional memorial to George Washington, a definitive edition of all his essential writings, public and private (excluding the diaries), including personal letters from the original manuscripts or first prints, and the general orders, at a cost not to exceed $56,000 for preparation of the manuscript. Such definitive edition shall be printed and bound at the Government Printing Office and shall be in about the same form as the already published diaries of George Washington and shall consist of 25 volumes, more or less. There shall be 3,000 sets of such edition, 2,000 of which shall be sold by the Superintendent of Documents (1) at a cost of $50 per set for sets sold to public libraries, and institutions and societies of learning, and (2) the remainder of the 2,000 sets, at $75 per set. The Commission shall, upon the publication of each volume of the remaining 1,000 sets, distribute copies of each such volume as follows: Two each to the President, the library of the Senate, and the library of the House of Representatives; 25 to the Library of Congress; 1 to each member of the Cabinet; 1 each to the Vice President and the Speaker of the House of Representatives; 1 to each Senator, Representative in Congress, Delegate, and Resident Commissioner; 1 each to the Secretary of the Senate and the Clerk of the House of Representatives; 1 each to the libraries of the executive departments and independent establishments located in Washington City, which were not created after March 4, 1933; and 1 to each member and officer of the Commission. Every such recipient eligible to receive any volume or volumes of such writings at any time prior to the issue of the final volume (but not later than December 31, 1934) shall be entitled to receive a complete set of such writings. The remaining sets, if any, shall be distributed as Library of Congress directs, including such number of sets as may be necessary for foreign exchange. The usual number for congressional distribution and for depository libraries shall not be printed."

SEC. 2. Section 1 of such act of February 21, 1930, is further amended by adding at the end thereof the following new paragraph:

"The 1,000 extra copies (heretofore privately printed) of the first volume of such writings shall be considered to have been authorized by the Commission and the Commission may accept a donation of such extra copies for distribution for reviews, advertising, and for such other promotional purposes as it may deem advisable. If the Commission shall direct the Superintendent of Documents to sell any such extra copies of the first volume, he shall offer the same for sale at a cost per copy equal to the cost per copy of the first volume as computed under clause (2) of the third sentence of this section. Such extra copies shall be the only copies of any volume of the set distributed or sold separately."

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.

DISTINGUISHED FLYING CROSS TO EMORY B. BRONTE

Mr. WELCH. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 117, authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte.

The Clerk read the joint resolution, as follows:

Senate Joint Resolution 117

Resolved, etc., That the President of the United States is authorized to present the Distinguished Flying Cross to Emory B. Bronte, of San Francisco, Calif., in recognition of his heroic courage and great skill as a navigator on the second successful airplane flight from California to the Hawaiian Islands, made under extremely adverse weather conditions in 25 hours 2 minutes, on July 14 and 15, 1927.

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

There was no objection.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House joint resolution (H.J.Res. 108) were laid on the table.

SUSAN I. BRUMM AND JOAN Q. BRUMM

Mr. DARROW. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution No. 23.

There being no objection, the Clerk read the concurrent resolution, as follows:

Senate Concurrent Resolution 23

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives is authorized in the enrollment of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, to insert on page 2, after line 23, of the House engrossed bill the following:

"For payment to Susan I. Brumm and Joan L. Brumm, sisters of George F. Brumm, late a Representative from the State of Pennsylvania, $8,500."

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FOREIGN DECORATIONS

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, H.J.Res. 330, 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, with Senate amendment, and agree to the Senate amendment.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this resolution?

Mr. McREYNOLDS. This is the resolution that came out of the gentleman's committee, giving the right to certain people to accept decorations.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendment as follows:

Page 2, after line 12, insert:

"Sol Bloom, Member of Congress, Director of United States George Washington Bicentennial Commission."

The Senate amendment was agreed to.

GEORGE M. COHAN

Mr. PEYSER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7290), authorizing the President to present a gold medal to George M. Cohan.

The Clerk read the title of the bill.

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

Mr. TRUAX and Mr. WADSWORTH objected.

UNITED STATES NAVY BAND

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7742) for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps, with a committee amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That from and after the date of approval of this act the present leader of the United States Navy Band shall have the rank, pay, and allowances of a lieutenant in the Navy and, in the computation of his pay and allowances, all naval service of whatever nature rendered by said leader shall be counted as if it were commissioned service; and the said leader

of the United States Navy Band shall be entitled to retirement as a lieutenant in the Navy in the same manner as other officers of the Navy of this rank and length of service, computed as stated above, would be entitled to retirement.

With the following committee amendment:

Page 1, line 4, after the word "band", strike out the balance of line 4 and all of lines 5, 6, 7, 8, 9, 10, and line 11, down to and including the word "this", and insert: "and the present leader of the band of the United States Marine Corps shall have the rank, pay, and allowances of a lieutenant in the Navy and of a captain in the Marine Corps, respectively; and in the computation of their pay and allowances all service in the Navy and the Marine Corps of whatever nature rendered by said leaders shall be counted as if it were commissioned service; and the said leaders of the United States Navy Band and the band of the United States Marine Corps shall, at such time as the President in his discretion may direct, be entitled to retirement as a lieutenant in the Navy and as a captain in the Marine Corps, in the same manner as other officers of the Navy and Marine Corps of such rank and length of service, computed as stated above, would be entitled to retirement."

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

There was no objection.

The committee amendment was agreed to.

The bill 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.

COAL AND ASPHALT DEPOSITS OF CHOCTAW AND CHICKASAW NATION, OKLAHOMA

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9769) to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Okla., and for other purposes."

The Clerk read the title of the bill.

Mr. HOLMES. Mr. Speaker, reserving the right to object, I should like to have a little information on this bill. Does this bill provide for the sale of asphalt or mineral rights?

Mr. CARTWRIGHT. I may say that the Choctaw and Chickasaw Indians in my district have thousands of acres of segregated coal lands and under the law as it now exists they cannot sell it in tracts of less than 960 acres. This bill provides that they may sell it in smaller tracts.

Mr. HASTINGS. This is a Department bill.

Mr. CARTWRIGHT. Yes; it is a Department bill, unanimously reported by the Committee on Indian Affairs, and approved by the Indians and everyone concerned.

Mr. HOLMES. We are not giving anything away?

Mr. CARTWRIGHT. No.

Mr. HASTINGS. This legislation was passed 30 or 40 years ago when money was more plentiful. Now, some of the smaller companies have mined out all the coal, but there are small tracts adjacent thereto which they want to buy and will buy if this legislation is enacted.

Mr. HOLMES. I have no objection.

Mr. TRUAX. Mr. Speaker, has this bill passed the House?

The SPEAKER. It has not.

Mr. TRUAX. Then I shall object, Mr. Speaker. [After a pause.] Mr. Speaker, I withdraw the objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Okla., and for other purposes", is hereby amended so as to permit the Secretary of the Interior, in his discretion, to sell under the provisions of said act the coal and asphalt deposits referred to therein in tracts of less than 960 acres where such smaller tract or acreage adjoins a developed tract on which active mining operations are being conducted and is needed by the operator in further developing the existing mine: *Provided*, That where the sale of such smaller tract or acreage is not deemed advisable, the Secretary of the Interior may, in his discretion, lease said tract under the same terms and conditions as developed tracts are leased under the act of April 21, 1932 (47 Stat. 88), with the exception that the minimum tonnage requirement contained therein is hereby waived as to leases on such small tracts.

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

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to know what the bill is.

Mr. CARTWRIGHT. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. HASTINGS], who has a similar situation in his district.

Mr. HASTINGS. Mr. Speaker, this is a Department bill that allows the Department to put up less than 960 acres of the reserved coal deposits of the Choctaws and Chickasaws in Oklahoma. The law now requires them to put it up in tracts of 960 acres. The Department has drawn this bill and has asked permission to cut these tracts into smaller ones, and that is all the bill does.

Mr. RICH. As I understand, the Committee on Public Lands has not had any opportunity to go over this bill.

Mr. HASTINGS. This bill does not go to the Public Lands Committee. This bill goes to the Committee on Indian Affairs, and it is unanimously approved and was really drawn by the Department and requested by the Department.

Mr. RICH. What committee has the bill?

Mr. HASTINGS. The Indian Affairs Committee.

Mr. RICH. Has the Indian Affairs Committee acted on it?

Mr. HASTINGS. Yes; unanimously.

Mr. RICH. Mr. Speaker, I withdraw the reservation of objection.

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, this bill does not affect oil, does it?

Mr. CARTWRIGHT. No.

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

There was no objection.

The bill 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.

YAQUINA BAY LIGHTHOUSE RESERVATION, OREG.

Mr. MOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7922) authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservation, Oreg., with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 7, strike out "twenty-two" and insert "thirty-two."

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

LANGELL VALLEY IRRIGATION DISTRICT

Mr. MARTIN of Oregon. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1510) to amend an act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley Irrigation District.

The Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, is amended by adding after section 16 thereof the following new sections:

"SEC. 16–A. All payments upon construction charges shall be suspended against such lands in the Langell Valley irrigation district as the Secretary of the Interior shall cause to be classified as to productivity and as the said Secretary may determine to be temporarily unproductive because nonagricultural and unsuitable for irrigation, and the said Secretary is hereby authorized to reduce the construction obligations of the Langell Valley irrigation district exclusive of costs incurred in the construction of Clear Lake Channel in the ratio and proportion as the number of acres so found and determined to be temporarily unproductive bears to the total number of acres now included as a part of said irrigation district: *Provided*, That the amount of irrigation water to which the Langell Valley irrigation district is entitled shall be reduced in proportion to the area temporarily suspended from construction charges.

"SEC. 16–B. The Secretary of the Interior, as a condition precedent to the allowance of the benefits offered under section

16–A, shall require the Langell Valley irrigation district to execute a contract providing for the resumption of construction charges by said district upon all, or any, of such acreages so found and determined to be temporarily unproductive, as the Secretary of the Interior may, subsequent to such suspension, find and declare to be possessed of sufficient productive power to be again placed in the paying class."

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

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I should like to ask the gentleman a question. Is this bill the same as H.R. 9124?

Mr. MARTIN of Oregon. No; it is not.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I should like to have an explanation of the bill.

Mr. MARTIN of Oregon. The only purpose of the bill is to authorize a reclassification of the lands of Langell Valley irrigation district, Klamath project, Oregon-California, and to permit the suspension of construction charges on such lands as the Secretary of the Interior may determine to be temporarily unproductive because nonagricultural and unsuitable for irrigation.

Mr. McFARLANE. Does this cost the Government anything?

Mr. MARTIN of Oregon. No.

Mr. McFARLANE. Who is paying it?

Mr. PIERCE. The district. There is an irrigation district here and the engineers took in land they cannot irrigate and now they compel the settlers to pay charges on a vast amount of land that cannot be irrigated.

Mr. MARTIN of Oregon. And it is not fit for agriculture.

Mr. PIERCE. There is a report here from Harold L. Ickes recommending the bill.

Mr. McFARLANE. Is there a unanimous report?

Mr. PIERCE. Yes.

Mr. TRUAX. Mr. Speaker, reserving the right to object, has this bill passed the Senate?

Mr. MARTIN of Oregon. It has passed the Senate and has been approved by the Committee on Irrigation and Reclamation.

Mr. TRUAX. Is it a good bill?

Mr. MARTIN of Oregon. Yes, it is.

Mr. TRUAX. Mr. Speaker, the next governor of Oregon says this is a good bill and I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There being no objection, 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.

UTILITIES INVESTIGATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 115.

The Clerk read as follows:

Senate Joint Resolution 115

Resolved, etc., That the Federal Trade Commission be, and it is hereby, authorized and directed to proceed under the Senate resolution aforesaid until it has investigated such of said corporations as in its judgment should be investigated, but the investigation shall be completed and the Commission's final report, with recommendations, shall be submitted to the Congress not later than the first Monday in January 1936.

The SPEAKER. Is there objection?

Mr. WEIDEMAN. Reserving the right to object, I should like to have an explanation.

Mr. RANKIN. This is to extend the time for the Federal Trade Commission to complete its investigation on utilities. It was started 7 years ago, and they want until January 1, 1936.

Mr. MARTIN of Massachusetts. Is there any additional money required?

Mr. RANKIN. I do not think so, they have not asked for any. The bill has been passed by the Senate.

Mr. ELTSE of California. Reserving the right to object, was not there a bill passed the other day on this same subject?

Mr. RANKIN. No; that was for the Federal Power Commission.

Mr. WADSWORTH. Mr. Speaker, I object.

AUTHORIZING THE CONVEYANCE OF CERTAIN LANDS TO THE MARYLAND NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Mr. LEWIS of Maryland. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2603) authorizing the Secretary of Agriculture to convey certain lands to the Maryland National Park and Planning Commission of Maryland for park purposes.

The SPEAKER. Is there objection?

Mr. LEWIS of Maryland. This bill has been passed by the Senate, and it has the approval of the House committee. The Secretary of Agriculture has been using 50 acres of land in Bethesda for the Animal Industry Bureau. That has now been abandoned, and they are moving to Beltsville. They are moving the buildings, also. This would provide 50 acres of land to be added to the park system of the Capital.

Mr. WEIDEMAN. Reserving the right to object, if we add this 50 acres to the park system it will cost money to keep it in repair.

Mr. LEWIS of Maryland. It will be a part of the park system.

Mr. TRUAX. What is the value of the land?

Mr. LEWIS of Maryland. I am not able to say. This was occupied, as I say, by the Agricultural Department for the Bureau of Animal Industry. They found it was too small, and they have taken a larger tract at Beltsville and moved the buildings. The bill provides that the deed shall not be made out until it is satisfactory to the Secretary of Agriculture.

Mr. WEIDEMAN. This adds 50 acres to the park system, and it will cost thousands of dollars to keep it up.

Mr. LEWIS of Maryland. There is a general parking system in the city of Washington and the State of Maryland. In the nature of things the two parking systems have to go together. They have a commission that handles it, and so far as I know not a dollar of extra expense will be involved, and there is none sought by this bill.

Mr. WEIDEMAN. It will by the mere fact that it will have to be developed. That is in Bethesda. They have a lot of park there now. It will just put another burden on the people. In Washington instead of putting the parks in the poor districts where the people really need them, they build the parks in other places.

The SPEAKER. Is there objection.

Mr. WEIDEMAN. Mr. Speaker, I object.

Mr. RICH. Mr. Speaker, if more requests come in here and gentlemen do not say that it is made with the unanimous consent of the committee, I will object.

CIVIL SERVICE RETIREMENT ACT OF 1930

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2702), to amend the Civil Service Retirement Act of May 28, 1930, and for other purposes, with an amendment thereto, and consider it at this time.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, will the gentleman explain the bill?

Mr. RAMSPECK. Mr. Speaker, this bill simply gives benefits of the retirement system of the Federal Government a right to name a beneficiary so that when they die leaving some money still due them, it will not be necessary to go to the expense of administration for a small sum of money. The bill is unanimously reported by the Civil Service Committee.

Mr. TRUAX. I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That subsection (c) of section 12 of the Civil Service Retirement Act of May 29, 1930, as amended (U.S.C., supp. VII, title 5, sec. 702a (c), is amended to read as follows:

"(c) In case an annuitant shall die without having received in annuities purchased by the employee's contributions as pro-

vided in (2) of section 4 of this act an amount equal to the total amount to his credit at time of retirement, the amount remaining to his credit and any accrued annuity shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant;

"Third, if there be no such beneficiary, or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"In the case of an annuitant who has elected to receive an increased annuity as provided in section 4 of this act, the amount to be paid under the provisions of this subsection shall be only the accrued annuity."

SEC. 2. Subsection (d) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a (d)), is amended to read as follows:

"(d) In case an employee shall die without having attained eligibility for retirement or without having established a valid claim for annuity, the total amount of his deductions with interest thereon shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such employee and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such employee;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person."

SEC. 3. Subsection (e) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a(e)) is amended to read as follows:

"(e) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed $1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of 30 days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person."

SEC. 4. Subsection (f) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a(f)) is amended to read as follows:

"(f) Each employee or annuitant to whom this act applies may, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant, any sum remaining to his credit (including any accrued annuity) under the provisions of this act."

With the following committee amendment:

The Clerk read as follows:

At the end of the bill insert "This act shall become effective upon the transfer of civil-service retirement functions from the Veterans' Administration to the Civil Service Commission, as provided in Executive order of April 7, 1934, as amended by the Executive order of June 5, 1934."

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

The amendment was agreed to; and the bill as amended 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. 9283, was laid on the table.

BRIDGE ACROSS LAKE CHAMPLAIN, VT.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3742) granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.

The SPEAKER. Is there objection?

Mr. McFARLANE. Mr. Speaker, I reserve the right to object. What is this bill?

Mr. PLUMLEY. This bill grants to the State Board of Public Works in the State of Vermont the right to construct and maintain a toll bridge across Lake Champlain. The objections of the official objectors have been obviated by the introduction of this bill. This is approved by the Acting Secretary of War and by the Acting Secretary of Agriculture.

Mr. McFARLANE. What will it cost?

Mr. PLUMLEY. I do not know. It does not cost the Government anything.

Mr. ZIONCHECK. It grants to the State of Vermont permission to do this instead of to a private corporation. We objected to a bill granting the right to a private corporation.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a bridge and approaches thereto across Lake Champlain, at a point suitable to the interests of navigation, between a point at or near East Alburg, Vt., and a point at or near West Swanton, Vt., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of tolls may be so adjusted as to provide a fund sufficient to pay (a) the reasonable cost of maintenance, repair, and operation of the said bridge and its approaches, and (b) the amortization within a reasonable time, and not exceeding 25 years from the date that the bridge is opened to traffic, and under reasonable condition, of any loan or loans, including reasonable interest, taxes, and financing charges made or to be made in connection with the construction of said bridge and its approaches.

SEC. 3. An accurate record of the cost of the bridge and its approaches, and of all the expenditures for maintaining, repairing, and operating the same, and of the tolls collected from time to time, shall be kept and shall at all reasonable times be available for the information of all persons interested in the construction, operation, and maintenance thereof.

SEC. 4. The right to sell, assign, transfer, mortgage, or pledge any or all of the rights, powers, and privileges conferred by this act is hereby granted to the said State Board of Public Works of the State of Vermont or any corporation to which, or any person to whom, such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same through mortgage, pledge, foreclosure, or otherwise, including therein the United States of America acting by or through the President, the Federal Emergency Administrator of Public Works, such other agency or agencies as may be designated or created for such purpose pursuant to the National Industrial Recovery Act or any other amendment or supplement thereto, or any other agency or agencies as may be created for such purpose by the Congress of the United States, and such person or corporation is hereby authorized and empowered to exercise all of the rights, powers, and privileges conferred upon the State Board of Public Works of the State of Vermont as fully as though conferred herein directly upon such corporation or person.

SEC. 5. Whenever a sum sufficient to amortize and pay off the amount of money used in building and constructing said bridge shall have been collected, the State Board of Public Works of the State of Vermont shall declare said bridge free and open to the use of the general public without the imposition of any further tolls or charges for the use of said bridge.

SEC. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the third reading of the Senate bill.

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.

PRELIMINARY EXAMINATION OF CROMLINE CREEK, N.Y.

Mr. WILSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3403) to provide for a preliminary examination of Cromline Creek in the State of New York, with a view to the control of its floods, and for its immediate consideration.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain the purposes of the bill?

Mr. WILSON. This is a bill for a preliminary examination of a creek in New York. The bill has been passed by the Senate and has been favorably reported by the House committee.

Mr. MARTIN of Massachusetts. Does it carry any appropriation?

Mr. WILSON. The appropriation will come out of a regular river-and-harbor appropriation. There is no additional appropriation.

Mr. MARTIN of Massachusetts. I have no objection.

Mr. WEIDEMAN. Where is this creek?

Mr. WILSON. It is for a preliminary examination for flood control. The creek is in New York State.

Mr. McFARLANE. Is this an authorization and will it come back again for an appropriation?

Mr. WILSON. Oh, no. Appropriations are made for surveys, and they are made for flood control.

Mr. McFARLANE. What kind of a showing do they make as to the necessity for this bill.

Mr. WILSON. There has been damage by flood, but it is necessary to have a preliminary survey in order to recommend plans for flood control.

The SPEAKER. Is there objection?

Mr. WEIDEMAN. Mr. Speaker, I object.

Mr. BYRNS. Mr. Speaker, there is not the slightest reason on earth for passing House bills at this late hour of the session. [Applause.] I am informed that in the Senate they will not be considered, and there is not the slightest chance of having them considered.

Mr. Speaker, I move that the House stand in recess subject to the call of the Chair. I am willing to withdraw that motion if it will be agreed to take up Senate bills.

The SPEAKER. The Chair will recognize Members to call up Senate bills.

W. B. FORD

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2419) an act for the relief of W. B. Ford, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$2,000" and insert "$1,000."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLACK]?

Mr. TRUAX. Reserving the right to object, what is this bill?

Mr. LAMBERTSON. This is a bill arising out of an injury in a post office. The House bill was originally for $4,000. The committee cut it to $2,000, and the Senate has cut it from $2,000 to $1,000. We are simply asking to concur in the Senate amendment.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

RELIEF OF PERSONS ENGAGED IN FISHING INDUSTRY

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3780) for the relief of persons engaged in the fishing industry.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, I understand this bill carries about $2,000,000?

Mr. BLAND. That is true.

Mr. JENKINS of Ohio. Mr. Speaker, I think this bill ought to be brought up under suspension of the rules, and I would therefore object unless it is called up under suspension of the rules.

Mr. O'CONNOR. Reserving the right to object, this bill was carefully considered before the Rules Committee. It has a great deal of merit. The only question was whether it should be broadened, rather than stand in the shape it was. It is really a meritorious bill as far as it goes. If it is broadened, it will take more money.

Mr. JENKINS of Ohio. I have no personal objection to it, but we have objected time and time again to bills of this magnitude coming up under unanimous consent.

Mr. O'CONNOR. The only fault is that the amount is so small.

Mr. JENKINS of Ohio. If the minority member of the Rules Committee is satisfied with it, I will have no objection.

Mr. O'CONNOR. The gentleman from Massachusetts [Mr. MARTIN], I am sure, can satisfy the gentleman on that.

Mr. MARTIN of Massachusetts. I am in favor of the bill, but I agree it should be called up under suspension of the rules, rather than by unanimous consent.

Mr. TRUAX. Mr. Speaker, I object to any appropriation of $2,000,000 on the Private Calendar.

Mr. O'CONNOR. This is not an appropriation.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

INTERNATIONAL ARMS & FUZE CO., INC.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2809) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms & Fuze Co., Inc.

The SPEAKER. Is there objection?

Mr. WEIDEMAN. Mr. Speaker, I object.

The SPEAKER. The Chair objects, too. There will be no recognition for Senate bills on the Private Calendar.

HON. HENRY ELLENBOGEN

Mr. GAVAGAN. Mr. Speaker, I call up a privileged resolution (H.Res. 370) which I send to the desk.

The Clerk read as follows:

Resolved, That when HENRY ELLENBOGEN, on January 3, 1934, took the oath of office as a Representative from the Thirty-third Congressional District of the State of Pennsylvania, he was duly qualified to take such oath; and be it further

Resolved, That said HENRY ELLENBOGEN was duly elected as a Representative from the Thirty-third District of Pennsylvania, and is entitled to retain his seat.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

THE PRIVATE CALENDAR

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

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, it is not my purpose in asking this indulgence to take the time on one of our usual valedictory addresses which will soon be approaching, but there is a matter that I feel all Members of the House are very deeply interested in that I should call to your attention in these brief remarks. I know the disappointment and confusion and, I might almost say, heartache that has come to many Members of this House in the closing days of the session because of the impossibility of their securing an opportunity for the consideration of bills on the Private Calendar in this House. For a number of years I have realized that under the present rules of the House, where claims have been fully and carefully considered by the Committee on Claims and other committees of the House, and where there can be no fair and reasonable doubt whatever as to the justness of those claims, a great many American citizens, because of the parliamentary situation which we have had for a number of years, are denied the abstract, just right of having those bills considered upon their merits by the Congress of the United States. [Applause.]

The present rule, of course, is the result of experiments over a long period of years. The present difficulty has addressed itself to former Congresses and some of the ablest parliamentarians of this House have undertaken from time to time to cope with and remedy this most unfortunate and distressing situation.

The Committee on Rules has had its mind, and I may say its heart, deeply impressed in the closing hours of the session of Congress with this unfair situation, to such an extent that some days ago the Committee on Rules voted out a resolution which if it had been called up and passed would have given the Chairman of the Committee on Claims

the right to be recognized by the Speaker of the House to call up such claims as in his opinion were of paramount importance. But, after consultation with the majority leader and the Speaker of the House in these last hours of the session it was thought improvident and perhaps unwise to attempt to call up that measure. It would place a very deep responsibility upon the Speaker with all of the other great duties he has in these closing hours, because it would have required him possibly to have looked into the merits of these bills that the Chairman of the Claims Committee wanted to call up. In addition to that it would probably have subjected the Claims Committee and its chairman to the charge that it was playing favorites, that he was just calling up bills that he wanted to pass. So, for these and other reasons it has been decided not to call up that rule at this time. A great many Members from the Northwest and particularly from Minnesota were interested in that because it was possibly contemplated that the Minnesota fire claims bill was one that would have been called up if this rule had been passed, together with others that have been very strongly pressed upon our consideration.

The thing I rose to say is this: On realizing that we must pass some remedial and, indeed, possibly some revolutionary method devised for the consideration, the fair consideration of bills of this sort, I, as Chairman of the Committee on Rules, am going to request the gentleman from New York, the ranking Democrat upon that committee [Mr. O'CONNOR], the gentleman from Indiana [Mr. GREENWOOD], who has given this matter great consideration; the gentleman from Virginia [Mr. SMITH], who is deeply interested; and two very able parliamentarians upon the minority side, the gentleman from Michigan [Mr. MAPES] and the gentleman from New Jersey [Mr. LEHLBACH], to act as a subcommittee during the recess of Congress to undertake to fashion and frame some new, just, and fair method by which every claim—every just claim—pending in the Congress of the United States wherein the Government is involved, shall have a fair and decent opportunity during a session of Congress to be considered upon its merits.

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

Mr. BANKHEAD. I yield. Mr. Speaker, if I am trespassing unduly beyond the time allotted to me I ask unanimous consent that it be extended.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GLOVER. I heartily agree with what the gentleman from Alabama has said. Could not the situation be remedied by having the Committee on Claims examine each claim, and those claims which in its opinion should be passed then be brought to the House in an omnibus bill under such conditions, then amendments could be offered to individual claims?

Mr. BANKHEAD. Mr. Speaker, I may state to the gentleman from Arkansas that that is one of the suggestions that has been proposed; and I am sure that when this subcommittee undertakes to give careful study to this whole project the gentleman's suggestion will be given very serious consideration.

Another proposal that was suggested is the setting up of some type of tribunal, judicial or otherwise, with limited jurisdiction as to amounts, which would have authority to consider these claims as the Court of Claims now considers claims against the Government up to $5,000, and to have final jurisdiction to dispose of them.

There are bills on the Private Calendar where the amount involved is $15, $20, $50, or $75—very negligible amounts, yet they take a great deal of the time of the Members and of the House.

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

Mr. BANKHEAD. I yield.

Mr. BLANCHARD. Is it not the gentleman's opinion that should a separate tribunal for the consideration of these claims be set up it would save a considerable sum of money due to the present expensive way of handling bills on the Private Calendar?

Mr. BANKHEAD. I have no doubt there is great merit in what the gentleman suggests.

Now, these two inquiries that have just been submitted indicate the possibilities of a careful and prudent investigation of some new method.

Mr. Speaker, I have no interest in the Private Calendar. I have but one little claim on the Private Calendar, the first I have had in probably 15 years, and it involves a very small amount, I think about $150; but my attention has been called to claims against the Government of the United States involving large sums of money, of the real justice of which, and of the merits of which there is no question on the face of the earth. These bills have been put on the Private Calendar, and these claimants have been here year after year knocking at the doors of Congress, of the House of Representatives, asking that their claims be adjudicated upon their merits. I think it is outrageous to have a system under which upon the possibly capricious objection of one Member or of three Members, such claimants are denied for the session of the Congress the privilege of having their claims considered.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from New York.

Mr. FITZPATRICK. What would the gentleman think of having the requirement that the first time the bill is called up 5 Members shall object, and the second time 15?

Mr. BANKHEAD. I will not undertake now to answer categorically any proposition that may be made. But these inquiries indicate the possibility of this subcommittee considering maturely and carefully a well-thought-cut system.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BANKHEAD. I said I was not going to indulge in any eulogy, but inasmuch as the gentleman from New York has risen to interrogate me, I want to publicly express to him as the ranking majority member of the Committee on Rules my great personal debt of gratitude for the invaluable assistance he has given to the committee, to this House, and to the country by reason of his fine knowledge of the rules and his excellent judgment on all legislation. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

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

There was no objection.

Mr. BANKHEAD. I yield to the gentleman from New York.

Mr. O'CONNOR. A while ago there was demonstrated a particular situation in reference to these private bills. The gentleman from New York [Mr. BLOOM], asked unanimous consent to pass a Senate bill that had passed that body unanimously, and had been favorably reported by the House committee which merely permitted a claimant to go before the Court of Claims. That is what we call a "jurisdictional" bill. Why anybody should object to a jurisdictional bill is beyond the comprehension of some of us. Of course, I know what is said here, that is, the mere fact that Congress lets the claimant go before that court is proof that the claimant is going to get the money. That is not the fact, however, because the Court of Claims very often turns down the case. Those bills are in a class by themselves, and the committee of which you did me the honor to appoint chairman will look into that subject and try to solve the problem and bring out something of advantage with reference to those bills as well as the other private bills.

Mr. BANKHEAD. May I make this suggestion to those who are interested in this matter. The gentleman from New York [Mr. O'CONNOR], the chairman of the subcommittee, during the recess I am sure will be very happy to receive the benefit of any suggestions that you might have in mind with reference to the working out of this problem of supreme importance to this Congress and to the claimants before it.

BRIDGE ACROSS RIO GRANDE RIVER AT BOCA CHICA, TEX.

Mr. WEST of Texas. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3788) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.

The Clerk read the title of the bill.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this a public bridge?

Mr. BLOOM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLOOM. Mr. Speaker, the majority leader asked unanimous consent for the House to consider Senate bills unobjected to on the Private Calendar. I asked unanimous consent to consider a Senate bill and the Speaker stated he would not consider Senate bills unobjected to on the Private Calendar. I was presenting my bill for consideration on account of the unanimous-consent request of the majority leader, which I understood the Chair put and there was no objection by the House.

The SPEAKER. The Chair did not put any such request as that. If the Chair recognized one Member to ask for the consideration of a Senate bill on the Private Calendar, the Chair would have to recognize all Members who have such bills on the calendar.

Mr. MOTT. Mr. Speaker, would a unanimous-consent request be in order at this time to take up all of the Senate bills on the Private Calendar that are unobjected to?

The SPEAKER. No. That would not be in order, because it would not be possible to enroll the bills in time, and the Chair, as a Member of the House, would object to such a request, if no other Member objected.

Is there objection to the present consideration of this bill?

Mr. MILLARD. Mr. Speaker, reserving the right to object, does this bill compete with a bridge already in existence?

Mr. WEST of Texas. No; it does not.

Mr. MILLARD. Is the gentleman sure?

Mr. WEST of Texas. This bridge is about 400 miles down the river from the nearest other bridge.

The SPEAKER. Is there objection?

There being 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 Rio Grande at Boca Chica, Tex., authorized to be built by the Boca Chica Bridge Co. by an act of Congress approved June 10, 1932, heretofore extended by act of Congress approved March 1, 1933, are hereby further extended 1 and 3 years, respectively, from March 1, 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 and a similar House bill, H.R. 9761, were laid on the table.

LEGISLATION OF THE SEVENTY-THIRD CONGRESS AND ITS RELATION TO THE PHILIPPINE ISLANDS

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein several resolutions adopted by the Philippine Legislature.

The SPEAKER. Is there objection to the request of the Resident Commissioner of the Philippine Islands?

There was no objection.

Mr. GUEVARA. Mr. Speaker, in a few hours the Seventy-third Congress will adjourn, leaving behind it a glorious record of human achievement. I realize that the final judgment belongs to history, but as for myself I wish to say that I feel very proud to have served in this Congress. When the Seventy-fourth Congress convenes in January 1935, many of us may have severed forever our services with the Congress of the United States, but there is no question that, whatever the future may have in store for us, we can face the world and say that we have done our duty as we saw it and as God made us to understand it.

In human undertakings, it is impossible to find perfection. What may seem perfect to some may appear imperfect to others. To those who happen not to agree with our endeavors, we can only justify our acts by showing the sincerity of our motives. If we have made any mistakes or inflicted any injustice as a result of our deliberations, it was not because we intended to do it but because we were anxious to respond to the call of our duty.

In this spirit I venture to say that the passage of the McDuffie-Tydings bill, now on the statute books of the United States as Public Act No. 127, is primarily intended to fulfill the solemn pledge of the American people to the Philippines in a manner beneficial to both countries. Any injustice or iniquity that may be discovered in the operation of this law I make so bold as to hope that the Congress of the United States will be more than willing to correct in due time. President Roosevelt, the responsible and constitutional leader of the American people, so asserted in his message to Congress of March 2, 1934.

Permit me, Mr. Speaker, to address myself to Public Act No. 127, commonly known as the "McDuffie-Tydings bill", and the subsequent legislation which affected the Philippines. Right on this floor, when I had the privilege to apprize the House of the acceptance by the Philippine Legislature of Public Act No. 127 I said that that act is now a solemn covenant between the United States and the Philippine Islands, and that its terms must be observed without reservation by either party. I have assured this House that the Filipino people are prepared to do their part in the observance of its terms. I ventured to express the belief that the United States also is sympathetically willing to do her part to make of the covenant a success, thus giving the harassed and weary world a practical example of the sanctity of national pledges.

I repeat these words of mine in the profound conviction that the American people are really sincere in their desire to build a new nation in the Far East. Also I am convinced that they are moved by the altruistic desire to maintain and preserve in the Philippine Islands those democratic institutions which have become the most precious heritage of the Filipino people.

To translate into reality these aims and purposes of the United States, her helping hand should be extended to the Philippines at least during the transition period. It was very clear that the United States was willing to be helpful to the Filipino people when in Public Act 127 was inserted a provision that—

The United States may, by Presidential proclamation, exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in the constitution thereof, and for the protection of life, property, and individual liberty, and for the discharge of government obligations under and in accordance with the provisions of the constitution.

It is evident, Mr. Speaker, that the provision just quoted tends to assure for the people of the Philippine Islands a government capable of protecting life, property, and individual liberty, utilizing, if necessary, all the power and authority of the Government of the United States.

I regret to say, however, that subsequent legislation affecting the Philippines, as for instance the Revenue Act of 1934 relating to the coconut-oil excise tax, represents a departure from the policy and philosophy which inspired the insertion of the provision of which I spoke in Public Act 127.

Section 602 of the revenue act endangers the economic structure of the Philippines, the preservation of which is most essential to the success of the Commonwealth. The immediate effect of this section is the unemployment and consequent hardship of 4,000,000 Filipinos who are dependent upon the coconut-oil industry. Four million people out of employment in a population of 13,000,000 necessarily will cause the collapse of other industries. In this event it is easy to predict that social and political disturbances will follow, and the Government of the United States will be compelled to intervene, and then God only knows what will happen.

The destruction of the coconut-oil industry in the Philippines because of the Revenue Act of 1934 would be a virtual repeal of Public Act 127. Why do I say this, Mr. Speaker? As I have stated, the destruction of the coconut-oil industry of the Philippines will drag down other industries. In this situation the government of the Commonwealth will find itself without revenue, and consequently it will be unable to pay the ordinary governmental expenses. Also, it will find itself incapable of meeting its bonded obligations to the United States, and in this case the high commissioner appointed by the President of the United States, in accordance with the provisions of section 7, subsection 4, of the Independence Act, shall immediately report the facts to the President, who may thereupon direct him to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts.

Once the customs offices have been taken over by the high commissioner, the government of the Philippine Commonwealth will, for all practical purposes, cease to exist. A blanket of despair and disappointment will then envelop the Filipino people, compelling the Government of the United States, whose flag will still be flying over the Philippines, to assume the responsibility of Philippine local affairs and exercise such authority as may be necessary to administer them. The political concessions in Public Act 127 and the altruistic aims of the American people for the creation of a new nation in the Far East will have become a mere dream, never to be realized. Another and far more critical situation may develop if the United States is not willing to take this responsibility. Some other nation, which has interests in the Philippines, or whose nationals' lives and property cannot be protected, may intervene and assume the responsibility that the United States has refused, and administer the local affairs of the Philippines in such a way as to insure protection of life and property of foreigners.

It is with profound sorrow that I am picturing to the American people the situation of the Philippines. I am compelled to do so, however, in justice to the United States and in fairness to the Filipino people. I have learned to love America for her traditions and for her altruistic policy in the Philippines. For this reason I feel compelled to raise my humble voice in warning the American people that their responsibility before history is more sacred than anything else. The history of the American people constitutes a source of inspiration to mankind. In every one of its chapters will be found naught but humanitarian endeavor and glorious achievement. However, if my prediction concerning the future of the Philippine Islands comes true it will be the first black page written in American history.

Mr. Speaker, I have served here for 12 years without interruption. I consider my seat in this House as the highest privilege and the greatest honor to which any citizen of the Philippine Islands could ever aspire. For the first time in the history of the United States representatives of a semi-foreign country has been granted the privileges of the floor and take part in its deliberations. Not only this, but my predecessors and I have been the recipients of many courtesies and of cordial treatment by the leaders and members on both sides of the aisle. Therefore, there is more than one reason for the Filipino people to be grateful to the Republicans as well as to the Democrats of this House. Personally I can only say that I have been accorded such treatment in my 12 years of service in this House that I shall ever treasure it as the most pleasant and sweetest memory of my career.

Very soon, Mr. Speaker, I shall return to my homeland, and I am sure I shall take along with me fond recollections of the generosity and kindness of the American people. I shall tell them that the United States is their best friend, always willing to be of service. I shall tell them that the American people are very proud of the accomplishments of their Government in the Philippines in the last 36 years. I shall tell them that the American people have at heart the best interests of the Filipinos.

In return I shall ask my fellow countrymen to consider your interests as their interests.

Mr. Speaker, just a few words more. I merely want to say good-by to you all, assuring you of my sincere admiration and love for America and the American people. I wish also to convey to the Speaker of this House, Mr. RAINEY, and to the majority and minority leaders, Mr. BYRNS and Mr. SNELL, my profound gratitude for the many courtesies I have received at their hands. Nothing would make me happier than to be accorded the opportunity to reciprocate.

Thank you.

The following are resolutions adopted by the Philippine Legislature:

Concurrent Resolution 54

Concurrent resolution petitioning the Congress of the United States to reconsider its action making retroactive to January 1, 1934, the provisions of the so-called "Jones-Costigan bill"; requesting the President of the United States to disapprove said bill failing its reconsideration by Congress or to suspend its application to the Philippine Islands during the calendar year 1934, and for other purposes.

Whereas the Congress of the United States has recently passed a bill, commonly known as the "Jones-Costigan bill", to include sugar beet and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act;

Whereas section 9 of said bill provides for the retroactive effect thereof to the 1st day of January, 1934, notwithstanding the fact that in the case of Philippine sugar more than 1,030,000 short tons have already been shipped and sold prior to the enactment of said bill, and there still remain to be disposed of, of the crop to be harvested prior to July 1, 1934, approximately 400,000 short tons of sugar;

Whereas the inclusion of the sugar already shipped to the United States prior to the enactment of the Jones-Costigan bill in the quota to be given to the Philippine Islands for the calendar year 1934 would necessarily result in a tremendous surplus which will have to be carried over to 1935, which surplus together with the 1934–35 crop would leave no appreciable quota for 1936, thus vitally crippling the sugar industry of the Philippines and causing grave consequences to the millions of inhabitants dependent upon said industry, and would further render impracticable a just and equitable enforcement of the provisions of said bill among the sugar producers in the Philippines: Now, therefore, be it

Resolved by the house of representatives (the Philippine Senate concurring), To respectfully petition as it does hereby petition the American Congress to reconsider its action on the pertinent portion of the said Jones-Costigan bill making its provisions retroactive to January 1, 1934;

Resolved further, That should this petition fail to be granted by the American Congress, the President of the United States of America is hereby respectfully requested to disapprove said Jones-Costigan bill, and, failing this, to suspend the application of the provisions of the said bill to the Philippine Islands during the calendar year 1934, under the authority granted him in section 7 thereof;

Resolved further, That in the event the Jones-Costigan bill should be enacted into law, and the President of the United States should extend its provisions to the Philippine Islands, that the Secretary of Agriculture of the United States be, and he hereby is, respectfully petitioned to fix a quota of 400,000 short tons of sugar for the Philippine Islands for the second semester of the calendar year 1934 without regard to the shipments and sales made prior thereto, and that the regular quota for the Philippine Islands under the provisions of said bill be made to take effect starting with the calendar year 1935; and

Resolved finally, That a copy of this resolution be furnished through the Resident Commissioner in Washington, Hon. PEDRO GUEVARA, to the President of the United States, the presiding officers of both Houses of the United States Congress, and the Secretary of Agriculture of the United States.

Adopted May 4, 1934.

MANUEL QUEZON,
President of the Senate.

QUINTIN PAREDES,
Speaker of the House of Representatives.

Finally adopted by the senate on May 4, 1934.

[SEAL] FERMÍN TORRALBA,
Secretary of the Senate.

This resolution, which originated in the House of Representatives, was finally adopted by the same on May 2, 1934.

[SEAL] JOSÉ LA O,
Acting Secretary of the House of Representatives.

Concurrent Resolution 56

Concurrent resolution petitioning the Congress of the United States to classify cigars manufactured in the Philippine Islands on the same basis as cigars manufactured in the continental United States under House bill no. 8735, introduced by Congressman HAINES in the Congress of the United States, amending section 400 (a) of the Revenue Act of 1926, reducing the tax rate of $2 paid on cigars weighing more than 3 pounds per thousand to $1, the reduction to be applicable only to cigars manufactured in the continental United States, and for other purposes

Whereas a bill has been introduced by Representative HAINES in the Congress of the United States (H.R. 8735) amending section 400 (a) of the Revenue Act of 1926, reducing the tax rate of $2 paid on cigars weighing more than 3 pounds per thousand and retailed now at not more than 3 cents each, to $1, and this reduction is to be applicable only to cigars manufactured in the continental United States;

Whereas this bill is a discrimination against Philippine cigars imported into the United States as they would pay double the internal-revenue tax paid by similar cigars made in the continental United States, and thus violate the reciprocity provisions contained in section 301 of the United States Tariff Act of 1930, which provides that Philippine merchandise coming from the Philippines into the United States will pay taxes equal to the internal-revenue taxes imposed in the United States upon like articles;

Whereas the tobacco trade between the United States and the Philippine Islands is truly reciprocal due to the importation into the Philippine Islands of American cigarettes, Florida and Georgia wrapper, Virginia tobacco for cigarette manufacture, tobacco machinery and supplies for tobacco factories, including cartons, cellophane, flaps, bands, etc.;

Whereas this bill is an indirect amendment of the economic provisions of the Tydings-McDuffie Act, now accepted by the Philippine Legislature;

Whereas said bill would cause the complete ruin of the cigar trade of the Philippine Islands in the United States, would work hardships on the tobacco farmers in the Philippine Islands, and would reduce our government revenue to a considerable extent: Now, therefore, be it

Resolved by the house of representatives (the Philippine Senate concurring), To petition, as it does hereby petition, the United States Congress to classify cigars manufactured in the Philippine Islands on the same basis as cigars manufactured in the continental United States under House bill No. 8735, reducing the tax on cigars produced in the continental United States from $2 to $1; and

Resolved finally, That copies of this resolution be furnished, through Resident Commissioner PEDRO GUEVARA in Washington, to the President of the United States, the Presiding Officers of both Houses of the United States Congress, and the Secretary of Agriculture of the United States.

Adopted May 5, 1934.

MANUEL L. QUEZON,
President of the Senate.
QUINTIN PAREDES,
Speaker of the House of Representatives.

Finally adopted by the senate on May 5, 1934.

[SEAL] FERMÍN TORRALBA,
Secretary of the Senate.

This resolution, which originated in the house of representatives, was finally adopted by the same on May 5, 1934.

[SEAL] JOSÉ LA O,
Acting Secretary of the House of Representatives.

Concurrent Resolution 52

Concurrent resolution petitioning the Congress of the United States of America to reconsider its action on the excise tax on Philippine coconut oil or in case Congress fails to reconsider its action, requesting the President of the United States to veto the same

Whereas in its present session the Congress of the United States of America passed the revenue bill providing among other things the levying of an excise tax of 3 cents gold on each pound of Philippine coconut oil, or on oil extracted from Philippine copra imported into the United States of America;

Whereas notwithstanding the 2-cent gold differential tax provided for by the American Congress in favor of Philippine coconut oil, the imposition of 3 cents gold on oil coming from the Philippines will necessarily increase to more than 300 percent the market value thereof in America, thereby practically eliminating said commodity from that market;

Whereas up to the present the American market is the only best available market for the Philippine copra and coconut oil so that the exclusion of this commodity from said market will consequently kill the copra industry in the Philippines;

Whereas according to the statistics of the Department of Agriculture and Commerce more than 4,000,000 Filipinos are depending for their living on copra industry, while on the other hand the government income derived therefrom amounts to more than 4 million pesos per year, which amount will be entirely lost to the Government of the Philippine Islands once the copra industry is paralyzed;

Whereas the imposition of the excise tax on Philippine coconut oil is contrary to the letter and spirit of the provision of section 6, paragraph (b) of the Tydings-McDuffie Act accepted today by the Philippine Legislature under the provision of section 17 thereof; which section 6, paragraph (b) in the opinion of the Philippine Legislature constitutes a covenant and which for all intents and purposes is in the nature of a commercial treaty between America and the Philippine Islands insofar as their economic and trade relations are concerned: Now, therefore be it

Resolved by the house of representatives (the Philippine Senate concurring), To petition as it does hereby petition the American Congress to reconsider its action on the pertinent portion of the revenue tax of the United States of America imposing an excise tax of 3 cents gold on each pound of Philippine coconut oil by completely eliminating therefrom said tax, or at least excluding from the imposition thereof Philippine coconut oil intended for industrial and not for human consumption purposes;

Resolved further, That should this petition fail to be granted by the American Congress, the President of the United States of America is hereby respectfully requested to disapprove or suspend the effect of the portion of the revenue bill imposing the excise tax above mentioned, or to exclude the Philippine Islands from the effect of said tax;

Resolved finally, That copy of this resolution be furnished through the Resident Commissioner in Washington, Hon. Pedro Guevara, to the President of the American Senate, the Speaker of the House of Representatives and the President of the United States of America.

Adopted.

MANUEL L. QUEZON,
President of the Senate.
QUINTIN PAREDES,
Speaker of the House of Representatives.

Finally adopted by the senate on May 1, 1934.

[SEAL] FERMÍN TORRALBA,
Secretary of the Senate.

This resolution which originated in the house of representatives was finally adopted by the same on May 1, 1934.

[SEAL] JOSÉ LA O,
Acting Secretary of the House of Representatives.

OSAGE NATION OF INDIANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, S. 1948, amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097).

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act of Congress approved February 6, 1921 (41 Stat. 1097), conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States be, and the same hereby are, amended to read as follows:

"Jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the provisions of article I of the treaty of September 29, 1865 (14 Stat. 687), proclaimed January 21, 1867, and notwithstanding the lapse of time, to hear and determine the net amount realized by the United States under said treaty of 1865 from sales of Osage lands and deposited in the civilization fund in the Treasury of the United States, with interest thereon at the rate of 5 percent per annum from the dates of deposits of money received from such sales in the Treasury of the United States, and to enter judgment for the Osage Nation of Indians against the United States for any and all such sum or sums, less any legal and equitable set-offs or counterclaims, including gratuities, arising since the date of the proclamation of said treaty on January 21, 1867, which the United States may have against the Osage Nation of Indians. The judgment of the said Court of Claims hereunder shall be subject to a special right of appeal on the full record by either party to the Supreme Court of the United States, and any such judgment, when satisfied, shall annul and cancel all claims of the said Osage Nation in and to all the matters and claims adjudicated hereunder.

"SEC. 2. That proceedings hereunder may be by an amended petition in the Court of Claims, to be filed within 1 year of the passage of this act, making the Osage Nation of Indians party plaintiff and the United States of America party defendant, to be verified by the authorized attorney or attorneys of the said Osage Nation employed under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior May 5, 1931, as provided by law, on information and belief as to the facts, and no other statement or verification shall be necessary; or said action hereunder may be by motion to be filed for and on behalf of the Osage Nation of Indians within 1 year of the passage of this act, to reopen and reconsider the case filed in said Court of Claims under the said act of Congress of February 6, 1921, supra, entitled 'Osage Nation of Indians against the United States of America', and known as No. B-38: *Provided*, That the evidence heretofore submitted to the said Court of Claims in the said cause shall be admitted for all purposes in the action hereby authorized, and

additional evidence, including official letters, papers, and public records, or certified copies thereof, may be offered in such proceedings.

"SEC. 3. That upon the final determination of such suit or suits the Court of Claims shall decree such fees and expenses as may be reasonable to be paid the attorneys employed by the Osage Nation of Indians under contracts approved by the Commissioner of Indian Affairs and the Secretary of the Interior on May 6, 1908, and May 5, 1931, and in no event shall such fees and expenses exceed the amount stipulated in such contracts, nor amount to more than 10 percent of the judgment recorded in the said cause."

With the following amendment:

Strike out all after the enacting clause and insert: "That there is hereby authorized to be appropriated the sum of $776,742.03, being the net amount received by the United States from the sale of surplus lands of the Osage Tribe of Indians in Oklahoma under article I of the treaty of September 29, 1865 (14 Stat.L. 687), credited to the 'civilization fund' on the books of the Treasury and used for the benefit of Indian tribes other than the Osage.

"SEC. 2. Said amount, when appropriated, shall be placed in the Treasury to the credit of the Osage Tribe of Indians at 4 percent interest per annum, both principal and interest to be subject to appropriation for the benefit of the said Indians or for payment to them, as Congress may direct.

"SEC. 3. Said appropriation shall be in full, complete, and final settlement of the claims of the Osage Tribe of Indians against the United States arising under the treaty of 1865, above cited.

"SEC. 4. That the Court of Claims is hereby authorized to fix and determine a reasonable fee, together with necessary and proper expenses, to be paid to the attorneys of record holding approved contracts of May 6, 1908, and May 5, 1931, in this case out of the said appropriation, the said fee and expenses not to exceed the amount provided in said contract, nor in the aggregate exceed 10 percent, and the said court is authorized to review its own records in this case and such evidence as may be submitted by said attorneys, in determining the attorneys' fee and expenses to be paid hereunder."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

The title was amended.

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 agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3645) entitled "An act 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."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3231) entitled "An act to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 551) entitled "An act for the relief of A. W. Holland."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (H.R. 6462) entitled "An act 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 had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6920. An act to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

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. BULKLEY, Mr. BARKLEY, Mr. WAGNER, Mr. TOWNSEND, and Mr. STEIWER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the following title:

S. 3764. An act to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

The message also announced that the Senate disagrees to the amendment of the House to the joint resolution (S.J. Res. 59) to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PITTMAN, Mr. HARRISON, and Mr. BORAH to be the conferees on the part of the Senate.

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

H.R. 9829. An act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs.

THE OMAHA TRIBE OF INDIANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 2557) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians, a companion bill having been favorably reported by the House Committee on Indian Affairs.

The Clerk read the title of the bill.

Mr. HANCOCK of New York. Mr. Speaker, is this a Private Calendar bill?

The SPEAKER. No.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this a bill that was on the Consent Calendar and was objected to?

Mr. HOWARD. I think so, but it has passed the Senate.

Mr. ELTSE of California. I object, Mr. Speaker.

The SPEAKER. Does any other Member desire to call up, by unanimous consent, any Senate bill not on the Private Calendar?

BAINBRIDGE ISLAND CHAMBER OF COMMERCE

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3604) to revive and reenact the act entitled "An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass, connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", approved March 2, 1929, which is the same as the House bill H.R. 9723.

The Clerk read the title of the bill.

THE TOBACCO TAX

Mr. VINSON of Kentucky. Mr. Speaker, reserving the right to object, will the Speaker permit me to ask unanimous consent to extend my remarks by including therein a short address on the subject of tobacco tax reduction by Mr. Breckinridge?

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

There was no objection.

Mr. VINSON of Kentucky. Mr. Speaker, I insert in the RECORD an address delivered before the Lexington Rotary Club on June 8, 1934, by the Honorable Desha Breckinridge, editor of the Lexington Herald, Lexington, Ky., upon a most important subject to the tobacco farmers of America. The subject of this address was the Tobacco Tax.

The address of Mr. Breckinridge is as follows:

Mr. President and members of the Rotary Club, I appreciate greatly the opportunity to speak with you about the reduction of taxes levied by the Government on tobacco products, which I think of major importance, pregnant with the possibility of benefit to the residents of the burley belt, to the growers of every type of tobacco in every State of the Union in which tobacco is produced.

If, in the effort to be brief, I make statements that may seem exaggerated without giving my authority therefor, I trust that any who doubt them will ascertain the facts, verify the accuracy or error of any allegation I may make, and satisfy himself

as to the import thereof. All I may do is to suggest, rather than expound, mayhap to excite the interest, arouse the desire for all to fully ascertain the facts about tobacco.

All of you probably know more about it than did I when I became interested in this question. I was most ignorant. My interest in it was aroused by FRED VINSON. As I returned to Lexington from a meeting of the code committee of the A.N.P.A. in New York I stopped in Washington to see VIRGIL CHAPMAN, who is a member of the Committee on Interstate and Foreign Commerce, that was holding hearings in regard to the bill regulating exchanges and issuance of securities, and Senator BARKLEY, who is a member of the Senate Finance Committee and Committee on Interstate Commerce.

I was fortunate in getting VIRGIL CHAPMAN and FRED VINSON to dine with me. After we had discussed the securities and exchange bills Mr. VINSON told of his desire, purpose, and hope to have the tax on tobacco products reduced. I had heard in a general way for long years of the excessive rate of taxation imposed on tobacco products, particularly on cigarettes, and of efforts to have the tax reduced. But until I heard FRED VINSON I had no accurate knowledge of the growth of the tax imposed on cigarettes; of the indefensible amount of taxes on cigarettes; of the comparative pittance received by the grower as measured by the profit made by the manufacturer and the revenue collected by the Government.

Mr. VINSON had given long study to the history of the tax, consideration to its effect and the effect of the reduction that he desired to secure.

HISTORY OF TAX

Briefly, the tax on cigarettes and other tobacco products had its genesis largely in the thought that not only was tobacco a luxury but injurious. I do not attempt to give the full record of the imposition of the taxes but at the beginning of 1917 the tax on cigarettes was $1.25 a thousand; as a war measure on October 4, 1917, it was increased to $1.65, or about 3½ cents on a pack of 20. On November 2, 1917, it was increased to $2.05 a thousand, a little more than 4 cents a pack. That was the maximum during the war. To make up for the revenue lost because of the coming of prohibition, on February 25, 1919, the tax was raised to $3 a thousand, where it has remained since. The prewar tax on chewing and smoking tobacco was 8 cents a pound. It was increased to 10½ cents a pound in October 1917, and in November 1917 it was increased to 13 cents a pound. On February 25, 1919, it was increased to 18 cents a pound.

In the 5 years since 1929, when grim privation has marched through the tobacco patch, when the wolf of want has howled at the very door of tobacco growers, the Government has collected over $2,000,000,000 from the tax on tobacco products; the annual revenue taken by the Government through the tax on tobacco has averaged over $400,000,000 a year.

The Government has properly and of necessity appropriated hundreds of millions of dollars of money raised through taxation for the benefit of the growers of wheat and of cotton and of corn and for the producers of hogs and cattle and for the relief of the unemployed in city and in country. Yet during those years it has imposed on one and only one agricultural product of which I know or have been able to learn on which the tax imposed to raise revenue for the war has not been reduced, but increased. It is the only product on which the tax imposed because of the coming of prohibition and the decrease in the revenue from the tax on spiritous and vinous beverages has not been reduced.

JUSTICE CALLS FOR CUT

Unorganized, inarticulate until they found a voice through FRED VINSON, the tobacco farmers have continued to have the product of their sweat and toil and sacrifice taxed far beyond any other product grown or manufactured in America. Every mandate of wise economy, every dictate of justice demands that there shall be a reduction in this tax and, further, that all who are interested in the production of tobacco shall unite in making that demand effective.

Due to the efforts of Representative VINSON, the Ways and Means Committee, of which he is a member, appointed a subcommittee to investigate and ascertain the facts and report to the full committee. That committee held hearings in Washington in March and April at which there appeared representatives of manufacturers. I have here the report of those hearings. They are interesting, astounding, tragic.

To summarize briefly, yet with practical accuracy, as stated by James C. Stone, who appeared before the committee, a man who in 1933 had 30 acres of land in tobacco that produced 1,000 pounds to the acre received for that tobacco approximately $3,500, of which the landowner received half and the men and women and children who cultivated and wormed and cut and stripped that tobacco half—less than $1,800 each. On that tobacco the Government imposed and collected taxes of approximately $30,000.

Is there any justification for the imposition of such taxes? Is there any palliation for governmental officials, whether they be Representatives in Congress or officials of the Department of Agriculture, who fail to exert to the limit their influence to have this intolerable burden of indefensible taxation reduced?

The subcommittee, of which Mr. VINSON was chairman, made a report to the full committee that is a condensed yet graphic recital of the facts, with the recommendation that the taxes on all tobacco products be reduced 40 percent. The Ways and Means Committee, by a vote of 17 to 2, reported a bill providing for such a reduction. Mr. DOUGHTON, Chairman of the Ways and Means Committee, has submitted a report favoring the passage of that bill.

HEARD NONE IN PROTEST

We heard scores testify at the hearings in Washington. We have talked with many more. We have heard no human being, either directly or indirectly, attempt to justify the present tax. There are some who have said that the Government could not stand the loss of revenue that would come through the reduction of the tax. There are others who favor what they call a graduated tax, instead of the horizontal reduction.

The question of the loss of revenue that the Government will suffer is analyzed conclusively in the report by the Vinson committee. As based on the figures of 1933, when the aggregate tax on tobacco products was approximately $400,000,000, the possible loss to the Government through a 40-percent reduction would be $160,000,000. The increase in the use of cigarettes in the first 2 months of this year indicates that there will be an increase of at least 15 percent in the consumption of cigarettes this year. In January and February of this year, the last 2 months for which I have the figures, the revenue from tobacco taxes increased by $12,000,000, which would indicate an increase of $72,000,000 in the tax on cigarettes alone in 1934 over 1933, which would make the tax paid on tobacco products $472,000,000.

This natural increase would, in large measure, make up for the 40-percent reduction. In 1929 there were approximately 8,000,000,000 cigarette papers used in roll-your-own cigarettes, upon which taxes were paid. In 1933 taxes were paid on 48,000,000,000 cigarette papers—six times as many papers sold for roll-your-own cigarettes in 1933 as in 1929. It takes 2 pounds of tobacco on which the Government at present collects 18 cents to make 1,000 roll-your-own cigarettes. It takes 3 pounds of tobacco on which the Government collects a dollar a pound, and under the reduction would collect 60 cents a pound to make 1,000 manufactured cigarettes.

WOULD LOWER PRICES

With the reduction of 40 percent the price of the cigarettes known as standard brands would be reduced so that they would be retailed at 10 cents a package, enabling the purchaser to buy three packs for 30 cents, for which he now purchases two. It would enable the manufacturers of 10-cent cigarettes to retail their cigarettes with larger profit at two packages for 15 cents.

Can anyone doubt that with the reduction of 33⅓ percent in the price of standard brands and 25 percent in the price of the 10-cent cigarettes that there would be an enormous increase in the use of manufactured cigarettes; that millions of those who since 1929 have made the sale of cigarette papers jump from 8,000,000,000 to 48,000,000,000 would return to the use of manufactured cigarettes?

What would be the increase in the consumption of cigarettes none may tell with absolute accuracy. The estimates vary from 20 to 75 percent. James C. Stone, whose judgment by reason of his ability and experience is entitled to respect, stated on the stand that in his opinion a decrease of 50 percent in the tax would in time increase the consumption over 50 percent.

The authorized spokesman for the big four companies stated before the committee that if the 40-percent reduction in taxes were made the companies would sell their cigarettes at a price so that they could be retailed at 10 cents.

The difference between the amount paid by consumers under the present tax and the amount that would be paid by them under the reduction, only on the consumption of last year, amounts to $136,000,000, which would be left in the pockets of the consumer to spend for other products.

CONSUMER BENEFITS, TOO

The man who uses one package of cigarettes a day, the tax on which is 6 cents, pays in taxes $21.90 a year. Under the statement by the spokesman for the great companies, none of the tax reduction would be retained by the companies. We have no illusions that the great companies are benevolent associations formed and conducted for the benefit of the growers. They were organized and have been conducted and will be conducted for the benefit of the stockholders. The profits they have made have been out of all proportion to the return to the tobacco growers. But under this administration the full benefit of the reduction of taxes will be passed on to the consumer. With the inevitable increase in the consumption of cigarettes, with a certain and inevitable increase in the price of tobacco because of the increased demand, in my judgment, the manufacturers both of the present 15-cent and the present 10-cent cigarette will make as great or greater profits than they now make because of the greater consumption. That is the only chance they will have to make more, by increasing the consumption of cigarettes and tobacco products, leading to an increased demand for the raw tobacco.

From 1919 to 1929 the average for burley tobacco was, as I recall, between 21 and 22 cents. From 1929 to 1934 the average was between 10 and 11 cents. I am as certain as I am of the rising of the sun that with this reduction the average for burley tobacco will equal or exceed the average paid before 1929. I believe it will be higher than that average, but that is a matter of opinion, the correctness of which cannot be proved until the reduction is made.

Speaking from my own experience, with full appreciation of the fact that you gentlemen may know more than I, I do not believe that many, if any, realize to the full the possibilities of the reduc-

tion in the tax on tobacco, nor the vital part that tobacco plays in the well-being and happiness of the people of the State.

IS BOON TO FARMERS

I do not take time to go into the figures. I only ask all of you to ascertain the full facts for yourselves and clothe them with your imagination. There are more than 100,000 tobacco farmers in Kentucky, the great majority of whom are today just hanging on the edge of self-sustained subsistence. An increase of 50, or if I am correct, 100 percent in the price of tobacco this coming year, which will come with the reduction of the tax, will raise them and their families above the danger of being submerged. If they are submerged the Government, under the policy of this administration, must and will care for them, which will cost more than the Government will lose through the reduction in the taxes.

Not only will those hundred thousand tobacco farmers be benefited, but everyone in their community—the doctor, the lawyer, the merchant, the school teacher, the laboring man, everyone who is benefited by the circulation of the golden stream that comes from the sale of the golden leaf—will be benefited and communities made more self-sustaining, with what I believe the certainty, most assuredly the possibility and probability, that instead of requiring aid from the Government they will be able to extend aid to others.

There are some mysterious forces opposing the passage of the Vinson bill. What they are I have been unable to ascertain sufficiently accurately to make public statement. Yet whatever they are, they should be exposed to the light that all may know who favors and who opposes this reduction.

THE GRADUATED TAX

Just a word, and only a word, in regard to the so-called "graduated tax" as favored by Mr. Axton and by Brown-Williamson. The only man that I know who declares himself in favor of it who has no direct or indirect financial interest in the manufacture of 10-cent cigarettes, is Mr. James C. Stone, for whose opinion I have great regard, yet who in a 2-hour conversation that I sought with him when I was trying to inform myself and studying the question convinced me by his argument in favor of the graduated tax that it was impractical and would be of inestimable injury to the tobacco growers.

I want the manufacturers of 10-cent cigarettes to succeed; I want every factor that furnishes an outlet for the growers of tobacco to succeed and expand. But I am absolutely convinced of two things: First, that the imposition of the graduated tax would drive the manufacturers of all cigarettes to the 10-cent cigarettes, requiring a lowering of the price paid for tobacco, and further, that there is no possibility of any bill going through Congress this year nor next year reducing the tax on tocacco products except the bill providing for the 40-percent horizontal reduction.

I base that statement upon statements made to me by members of the Ways and Means Committee, by other Representatives and Senators who have given the subject most careful study and have reached definite conclusions that the graduated tax would be injurious instead of beneficial to the tobacco growers, however beneficial the manufacturers of the 10-cent cigarettes may think it would be to them.

WILL INCREASE CONSUMPTION

There is no one—tobacco grower, smoker or chewer, manufacturer, public official—I have ever heard deny that a horizontal reduction of the taxes would increase the consumption of tobacco and would benefit both the grower and the consumer.

From 1919 till 1929 the use of manufactured cigarettes increased, from 1929 to 1934 the consumption of manufactured cigarettes has decreased; the consumption of roll-your-own cigarettes increased enormously.

The tobacco growers have been largely inarticulate. Now a bill representing their desire, their just demand, is before Congress, favorably reported by the Ways and Means Committee. There is assurance given by such distinguished and influential Senators as Senator BARKLEY, of Kentucky; Senator BYRD, of Virginia; Senator BAILEY, of North Carolina; Senator BYRNES, of South Carolina; Senator GOLDSBOROUGH, of Maryland, and others equally interested in the welfare of the tobacco growers that the bill providing for the 40-percent horizontal reduction can pass the Senate and that a bill providing for the so-called "graduated tax" has no chance to pass either House of Congress.

If we can make our voice audible, can make our conviction as to the injustice of the present tax heard, can make our demand for the repeal of the tax denominated in the subcommittee report as "unconscionable" heeded by those in high position, this reduction can and will be made at this session of Congress, so that the next crop will be sold to meet the increased demand. Each of us can do something. It needs a thorough cooperation of all to do what is needed.

BAINBRIDGE ISLAND CHAMBER OF COMMERCE

There being no objection, the Clerk read the bill S. 3604, as follows:

Be it enacted, etc., That the act approved March 2, 1929, authorizing the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington, be, and the same is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

SEC. 2. That 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.

A motion to reconsider and a similar House bill, H.R. 9723, were laid on the table.

INTERNATIONAL ARMS & FUZE CO.

Mr. CHAVEZ. Mr. Speaker, I ask unanimous consent that we may return to the bill (S. 2809) that I objected to a moment ago and consider the same.

The SPEAKER. This bill is on the Private Calendar.

COLLIER MANUFACTURING CO., OF BARNESVILLE, GA.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2242) for the relief of the Collier Manufacturing Co., of Barnesville, Ga.

The SPEAKER. This bill is also on the Private Calendar and cannot be considered.

Mr. WOLFENDEN. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Will the gentleman withhold that a moment?

Mr. WOLFENDEN. I withhold it, Mr. Speaker.

AGRICULTURAL ADJUSTMENT ACT

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3419) to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act.

The Clerk read the bill as follows:

Be it enacted, etc., That the provisions of section 16 of the Agricultural Adjustment Act, as amended, shall not apply to articles of machinery belting processed wholly or in chief value from cotton, if such processing was completed prior to January 1, 1930.

SEC. 2. Any tax which has been assessed or paid under such section on any such article prior to the enactment of this act shall be credited or refunded to the taxpayer, or abated if remaining unpaid: *Provided*, That claim therefor must be filed within 3 months after the date of enactment of this act: *Provided further*, That no such credit, refund, or abatement shall be made with respect to any such article which was disposed of by the taxpayer prior to the filing of the claim therefor.

Mr. TRUAX. Mr. Speaker, I object.

Mr. WALTER. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. TRUAX. Mr. Speaker, reserving the right to object, I should like to inquire if we are going to continue with bills on the Private Calendar without having any report on them?

The SPEAKER. This is not a Private Calendar bill.

Mr. O'CONNOR. This bill relates to agriculture.

Mr. TRUAX. Then I withdraw my objection.

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

There was no objection.

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.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRITTEN. Mr. Speaker, I desire to submit a unanimous-consent request that I may address the House for 5 minutes. I desire to present to the House a letter from the Secretary of State.

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

There was no objection.

Mr. BRITTEN. Mr. Speaker, from the floor of the House on April 20, I publicly requested the recall of Gerald Campbell, British consul general in New York City, because of his participation in a meeting in that city organized by the Woman's International League for Peace and Freedom, at which time certain legislation then pending before the Congress of the United States was discussed.

The sole purpose of this meeting was to prevent further Federal expenditures to increase the Navy, and the Vinson

bill, then on the House Calendar, was the target of various speakers, among them being the British consul general himself.

Five hundred and twenty-nine dollars and fifty-five cents was collected from those present and the officers of the Woman's International League immediately prepared for another meeting in Washington to prevent the passage of the Vinson bill in the Senate and also to oppose its final approval by the President.

I am now informed by Secretary of State Cordell Hull that upon inquiries made by officials of the British Embassy, who conferred with Mr. Campbell, that he was unaware of the character of this meeting when he accepted the invitation to attend, and that in his impromptu remarks he scrupulously avoided any reference to or criticism of pending American legislation.

What a sad commentary this is upon the much-praised British diplomacy of the past for a high-ranking consul general to say that "he was unaware of the character of this meeting when he accepted the invitation to attend", when undoubtedly every other person at the meeting knew in advance that it was a pacifist meeting promoted by a radical organization and intended for only one purpose—the defeat of the Vinson Navy bill.

After Mr. Campbell arrived at the meeting place and he was called upon for a speech and when money was collected for the sole purpose of defeating the Vinson bill, he still was in doubt about its character and did make a speech.

Mr. Speaker, if this is an example of the keen, intelligent British diplomacy of today, then God help England.

As a sequel to my request for the recall of Consul General Campbell, Gerald Campbell was created a Knight Commander of St. Michael and St. George, on the occasion of the sixty-ninth anniversary of the birthday of the King last week, thus to inform the world that foreign governments should not interfere with British diplomacy, even when it is wrong, and a further announcement to British diplomats the world over that "snooping", even though fraught with temporary foreign disgrace, will be rewarded by His Majesty's Government, as in the case of Sir Gerald.

Sir Gerald's elevation to knighthood is a direct slap in the face for Uncle Sam, who should henceforth expect British representatives on American soil to use their American influence to mold public sentiment favorable to Great Britain, and to oppose American legislation that is inimical to the best interests of England. Snooping must now be added to the duties of every British diplomat if he has aspiration to the knighthood.

Mr. Speaker, if conditions were reversed and an American diplomat in London had publicly opposed British legislation pending in Parliament on February 20 last, he would have received his walking papers before the 1st of March.

Great Britain knows the great importance of maintaining respect for its tradition, while we in the United States allow that Sir Gerald incident to be "laughed off."

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. O'MALLEY. Did the British diplomat contribute to that collection to which the gentleman referred?

Mr. BRITTEN. I was not at the meeting and I do not know. Probably he did, because he was undoubtedly the guest of honor. But my thought is this, that that was a very deliberate way Great Britain has of showing her insolence. What does she care about Uncle Sam? Her announcement to the world on yesterday that she would not pay her debt of honor to us is the best evidence of the depth to which her present government has fallen. A cheap coconspirator with France to defraud the Nation which saved both of them from ignominious defeat by Germany. What a folly our participation in the war now presents.

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

Mr. BRITTEN. Mr. Speaker, may I proceed for 1 minute more?

The SPEAKER. Is there objection?

Mr. BURKE of Nebraska. Mr. Speaker, I object.

CENTENNIAL OF INDEPENDENCE, REPUBLIC OF TEXAS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution No. 21, which I send to the desk and ask to have read.

The Clerk read as follows:

Senate Concurrent Resolution 21

Resolved, by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be composed of 3 Senators, to be appointed by the President of the Senate, and 3 Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, to inquire into and report to Congress to what extent, if any, the Federal Government should participate in the Centennial of the Independence of the Republic of Texas, to be held in the State of Texas in the year 1936.

The expenses of the committee, including necessary clerical assistance and traveling expenses, which shall not exceed $5,000, shall be paid, one-half from the contingent fund of the Senate, and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman.

The SPEAKER. Is there objection?

Mr. WEIDEMAN. Mr. Speaker, I reserve the right to object. Will the gentleman please explain the resolution?

Mr. BLOOM. Mr. Speaker, I yield to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, Texas, as my friend from Michigan is aware, has a glorious history, which is in no way provincial. In 1936 Texas is to celebrate the centennial anniversary of the establishment of her independence. After the establishment of that independence Texas was for 9 years a republic, and then joined the American Union. Texas is having a centennial celebration of that occasion. The legislature has appropriated money for a proper investigation of it and has appointed a committee. This resolution simply provides for the appointment of 3 Members of the Senate and 3 Members of the House. The concurrent resolution has already passed the Senate. That committee is to collaborate to see to what extent it would be proper or practicable for the Federal Government to participate in that centennial celebration.

Mr. WEIDEMAN. Mr. Speaker, I object. I do not see why we should spend $5,000 to inquire into why we should participate in some State centennial. We have been appropriating money too freely, and inasmuch as the colleague of the gentleman from Texas [Mr. BLANTON] is not here to object, to save the Treasury, I think that I should.

Mr. LANHAM. Will the gentleman withhold his objection?

Mr. O'BRIEN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

SECRETARY ICKES

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

The SPEAKER. Is there objection?

There was no objection.

Mr. SIMPSON. Mr. Speaker, I have received under the official frank of the Secretary of the Interior a copy of a letter signed by him, addressed to the editor of the Chicago Tribune, in which he makes a scurrilous attack upon me in denying his interest in the impeachment of Judge Wilkerson. Why the Secretary risks prosecution for this private abuse of the official franking privilege may be explained on the theory that in this matter, as in others, he is afflicted with such delusions of grandeur that he regards himself as above the law.

Mr. Ickes denies that he is interested in bringing about the impeachment of an honest and fearless judge in order to procure the appointment of Donald Richberg, his former partner. I would accept this denial at its face value if the assertions of Mr. Ickes in political matters were worthy of credence. But the chameleon character of his party record and his heartless betrayal of political friends and parties stamp him as a Judas Iscariot in such matters, whose word is not only valueless but always presumably false. Neither he nor any other turncoat can reconcile truthfulness with treachery. A man who is false in one thing establishes the presumption that he is false in all.

The psychology of Mr. Ickes' case illustrates the danger of elevating to exalted office men whose limitations disable them from observing ordinary decencies in public life. The act of the Secretary of the Interior in sending false and scurrilous letters concerning me during the primary campaign called for instant rebuke by the President. It was an insult to the other members of the Cabinet and a gross misuse of public office to feed a private grudge. This political trickster who wears a coat of many colors—Republican, Progressive, Democrat, Republican again, today a Democrat for a job's sake, and perhaps tomorrow a Cassius who will stab his benefactor—this polygamist of politics did not dare to go to Illinois and vote in the primary into which he injected poisonous venom from his place at President Roosevelt's side. In the primary he could not have voted without stultifying himself, either as a Republican, a Democrat, a Progressive, or whatever he may now happen to be.

It is unfortunate that the President of the United States should have imposed upon himself the burden of a misfit like Harold L. Ickes. The President carries too big a load as it is, without having to countenance repeated blunders of subordinates who use their place to promote private political ends. The country deserves and needs at this critical time a competent Secretary of the Interior who will attend strictly to his duties.

Temporary elevation to an office absurdly beyond his capacity deprives Mr. Ickes of all sense of proportion. His infirmity is not an uncommon affliction among individuals who find themselves raised above their natural level of obscurity. The disease manifests itself in an assumption of superior virtue and infallible wisdom. Mr. Ickes prides himself upon his hatred of monopoly. Why he turns about and attempts to monopolize virtue and wisdom is explained by the nature of his malady. His assumption that public men are bent upon misusing public-works funds would be regarded by them as deeply insulting if they were not aware that suspicion of corruption in others is a symptom of his affliction. Those who are as honest as he is in all matters and entirely unlike him in their fidelity to political ideals and principles are only hoping that he will combine intelligence with watchfulness in the disbursement of the immense sums which have been intrusted to him.

Overwhelmed as Mr. Ickes might be if he confined himself to his official duties, he finds time to utilize the advantages he enjoys as a Cabinet member to deny patronage to Democrats in Congress so that he can build up a personal machine of his own in Illinois. His vigilance in this direction doubtless is energized by the thought that he must provide for himself after his brief glory here has gone into eclipse. In this, as in all other political adventures, Mr. Ickes has no regard for others. He takes advantage of Mr. Roosevelt's patience and forbearance without compunction, and has no hesitation in misuing his office for personal political ends.

In the course of his devious meanderings through politics Mr. Ickes has been consistent in only one particular—he has associated with and given aid and comfort to individuals and movements which strike at the fundamentals of Americanism. His natural obliquity in matters of principle and loyalty makes it an agreeable task on his part to strike at institutions which are cemented by the blood of American patriots. If he were really of Cabinet caliber he might be feared in this respect. At any rate, many Democrats share with me the opinion that an individual holding his subversive views has no rightful place at the side of a President of the United States.

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

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

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, several days ago a number of his colleagues paid high tribute to the service of our friend and colleague, the Honorable WILLIAM W. HASTINGS, of Oklahoma, who is voluntarily retiring from Congress. It so happened at the time that I was called out of the Chamber and was not present while those tributes were being paid. My friendship for Mr. HASTINGS, our long acquaintance, prompts me to ask your indulgence for a few moments while I have something to say in regard to my high esteem and my respect for him. I have known Mr. HASTINGS longer than I have known any other Member of this House. More than 40 years ago he was a student at Vanderbilt University in Nashville, Tenn., my home city. I knew him then and learned to love him as I have loved him ever since. He was then as now an earnest, a close, a conscientious student of everything that he undertook. He had the respect and esteem of all of his classmates, and was regarded as one of the leaders.

After he graduated from the university he left Nashville and returned to the Indian Territory, his native home, now the State of Oklahoma. I did not see Mr. HASTINGS from that time until I came to Congress a number of years ago. For some reason—I have never understood just why—Uncle Joe Cannon, who was Speaker of the House at that time, made me a member of the Committee on Indian Affairs. Mr. HASTINGS was here frequently during that time, representing, as he did, the Cherokee Tribe of Indians in Oklahoma. He appeared on numerous occasions before the committee in support of bills which were proposed in the interest of the tribe. He showed the same loyalty and ability and the same studious zeal, the same conscientious devotion to the cause he was representing, as he showed when he was a student at the university.

Later on he came to Congress, and our friendly relations were renewed. You gentlemen who have served with him know that there has not been a Member of this House who has had the esteem and respect of his colleagues to a greater extent than our friend the gentleman from Oklahoma [Mr. HASTINGS]. [Applause.] We all know that while Members perform important work upon the floor of the House, after all, in the framing of the bills which are presented and in the work which is done in committee, a Member does his very best work. It is not a matter which gives him any publicity, but the Member who works in committee in the preparation of the bills for presentation to the Congress, really, as I say, does his very best work.

It was my privilege and my pleasure to serve upon the Committee on Appropriations with Mr. HASTINGS, and he carried into his work there, his work upon the subcommittees, and his work upon the full committee, that same able, earnest, tireless, and conscientious devotion to duty that he has always shown during the more than 40 years I have known him. He is one of the very able men of this Congress and enjoys his position of leadership because he has the friendship, the respect, and the confidence of its Membership.

I want to say to my colleagues that I regard his voluntary retirement from Congress as a real loss, not only to his district, not only to his State, but also to his Nation. We will miss him after he is gone, and we all hope that he may enjoy a long life and the greatest happiness and prosperity during the years that will be his in the future. [Applause.]

NINTH PAN AMERICAN SANITARY CONFERENCE

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (S.J.Res. 59) to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference, and I move that the House recede from its amendment to the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. McREYNOLDS]?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Tennessee that the House recede from its amendment to the Senate Joint Resolution.

The motion was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT OF AIRWAYS ACT

Mr. MALONEY of Louisiana. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3526) to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics.

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

Mr. MALONEY of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk and consider Senate bill No. 3526. This bill has been unanimously passed by the Senate and a similar bill has been approved by the Committee on Interstate and Foreign Commerce.

The bill is an amendment to the Airways Act—making its provisions more workable so the Department can render a better service to the public and the industry.

Mr. BAKEWELL. Reserving the right to object, Mr. Speaker, and I shall not object, I should like to have this discussion continue long enough to enable the gentleman from Louisiana [Mr. MALONEY] enter into the RECORD a statement by Secretary Roper interpreting a sentence in this bill which may, without that interpretation, be regarded as ambiguous.

Mr. MALONEY of Louisiana. I shall gladly comply with the request.

I have, Mr. Speaker, a letter from Secretary Roper, in which he says:

Reference is made to subparagraph (g), section 5, of the Senate and House bills covering an amendment to the Air Commerce Act of 1926, which I understand is to be acted upon by the House today. My interpretation of this paragraph (g) is that its provisions would apply only to bridges, coastwise transportation, and transmission lines over navigable water. I hope this clarifies the matter to the entire satisfaction of the House Membership and there will be no objection to its immediate consideration and passage.

Mr. BAKEWELL. I ask that this interpretation be noted in the RECORD as the interpretation of the committee.

Mr. McFARLANE. Reserving the right to object, I do not understand yet what bill is now being called up.

Mr. MALONEY of Louisiana. This bill is an amendment to the Airways Act, making its provisions more workable.

Mr. McFARLANE. Is it an amendment to the Aircraft Act?

Mr. MALONEY of Louisiana. Yes.

Mr. McFARLANE. What section does it amend?

Mr. MALONEY of Louisiana. It amends several sections in minor particulars.

Mr. McFARLANE. Does it give competition or do away with competition?

Mr. MALONEY of Louisiana. Oh, it has nothing to do with that. It has to do with the safety of aircraft.

Mr. McFARLANE. What section does it amend?

Mr. MALONEY of Louisiana. The amendment to subdivision (d) of section 2 is for the purpose of authorizing the Aeronautics Branch to cooperate with other Government agencies in the development of airplanes and accessories in addition to the present authorization for such cooperative action in the development of aids to air navigation. This authorization is highly essental to enable the Aeronautics Branch to carry out the mandate of the Air Commerce Act of 1926 to foster commercial aviation. Under the act as now written the Aeronautics Branch can and has assisted greatly in the development of scheduled air transport by its construction of airways and its weather-reporting service, but it has been powerless to do more than regulate private flying. As a result this most important phase of aviation has been retrogressing while air transport has been progressing. It is believed highly desirable, particularly from the national-defense standpoint, to correct this unbalanced condition immediately. There is no Federal agency now authorized to further the development of equipment for the private pilot which must be safer, easier to fly, and more economical than equipment used by the Army and Navy. With the authorization requested, the Aeronautics Branch can materially further the safety of private flying without any additional appropriation.

The amendments to section 2 provide authority for the Secretary of Commerce to hold hearings to determine the causes of accidents and contain the immunity clause of the Federal Securities Act to protect witnesses called upon to testify in such hearings. The publication of the results of such investigations is made mandatory when the accident has caused serious or fatal injury and discretionary otherwise. Provision is also made that employees of the Department of Commerce shall not be called upon to testify in any suit or action involving aircraft. These provisions are similar to those contained in the bill under which the Interstate Commerce Commission functions.

Without the provisions contained in this amendment the Department of Commerce cannot require the submission of evidence required to determine the causes of accidents, and such evidence as is voluntarily submitted must be treated confidentially to protect the interests of the witnesses. This necessity of refusing to give out the results of our findings in important accident cases tends to shroud such accidents in an undesirable atmosphere of mystery, whereas in most cases the causes are well known. Were the Department enabled to issue a statement of the causes of such accidents, it could dispel this air of mystery and could make available to aircraft manufacturers and operators much valuable information which would be used in the prevention of subsequent accidents.

The amendment to subdivision (a) of section 3 permits granting limiting registration of aircraft owned by aliens. We not infrequently have requests for such registration and in most cases there is no good reason for denying them.

The amendments to subdivision (b) of section 3 and subdivision (k) of section 9 extend our licensing and inspection authority to include parachutes.

The amendments to subdivision (d) and (f) of section 3, and subdivision (a) of section 11, paragraphs 3 and 5, are for the purpose of clearly defining the authority of the Secretary of Commerce to regulate air lines to insure maximum safety of operation. Certificates are now granted to air lines under the authority vested in the Secretary by section 3 (f) "to issue such other certificates as the Secretary of Commerce deems necessary in administering the functions vested in him under this act." Although this authority has never been contested, it has been questioned and should be more clearly defined. It is not intended that this authority should encompass regulation for other than safety purposes. H.R. 9599 has a provision in section 6 to limit this authority, which should be included in S. 3526.

Section 7 of S. 3526 is designed to discourage appeals from decisions of the Secretary in revoking licenses and assessing penalties when the appellant has insufficient grounds for appeal. With no deterrent to an appeal, appeals are readily resorted to and result in needless expense to the Government.

Mr. McFARLANE. Does it in any way affect the procurement of aircraft?

Mr. MALONEY of Louisiana. It does not.

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

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That subdivision (d) of section 2 of the Air Commerce Act of 1926 (U.S.C., supp. VII, title 49, sec. 172 (d)) is amended by inserting before the period at the end of the first sentence thereof a comma and the following: "aircraft, aircraft power plants, and accessories."

SEC. 2. Subdivision (e) of such section 2 (U.S.C., supp. VII, title 49, sec. 172 (e)) is amended to read as follows:

"(e) To investigate accidents in civil air navigation in the United States, including the attending facts, conditions, and circumstances, and for that purpose the Secretary, or any officer or employee of the Department of Commerce designated by him in writing for the purpose, is authorized to hold public hearings in such places and at such times as he shall deem practical, and for the purpose of such hearings, administer oaths, examine witnesses, require the preservation of evidence, and issue subpenas for the attendance and testimony of witnesses, or the production of books, papers, documents, exhibits, and other evidence, or the

taking of depositions before any designated individual competent to administer oaths for the purposes of this act. Witnesses summoned or whose depositions are taken shall receive the same fees and mileage as witnesses in the courts of the United States. All evidence taken at the hearing shall be recorded and forwarded to the Secretary. At the conclusion of an investigation of, or hearing on, any such accident or as soon thereafter as circumstances permit, the Secretary of Commerce shall, if he deems it in the public interest, make public a statement of the probable cause or causes of the accident, except that when the accident has resulted in serious or fatal injury, it shall be the duty of the Secretary to make public such a statement. Neither any such statement nor any report of such investigation or hearing, nor any part thereof, shall be admitted as evidence or used for any purpose in any suit or action growing out of any matter referred to in any such statement, investigation, hearing, or report thereof."

SEC. 3. Subdivision (a) of section 3 of such act (U.S.C., supp. VII, title 49, sec. 173 (a)) is amended by inserting after the second sentence thereof a semicolon and the following: "but the Secretary may, if he deems it advisable, grant limited registration to aircraft owned by aliens under such conditions as he may by regulation prescribe, but aircraft granted such limited registration shall not be permitted to engage in interstate or foreign air commerce."

SEC. 4. Subdivision (b) of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (b)) is amended by inserting after the words "United States" in the first sentence thereof the following: "and parachutes used in connection with such aircraft,".

SEC. 5. Subdivision (d), as amended, of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (d)) is amended by inserting before the period at the end thereof a comma and the following: "and provide for the examination and rating of all air lines engaged in interstate or foreign air commerce and establish minimum safety standards for the operation thereof."

SEC. 6. Subdivision (f) of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (f)) is amended by inserting after the word "aircraft" in the first sentence thereof the word "airline" and a comma, and by inserting after such sentence the following sentence: "The Secretary of Commerce shall not deny any application for an airline certificate or revoke or suspend any airline certificate, except for failure of the airline to comply with safety standards applicable to the operation thereof prescribed by the Secretary."

SEC. 7. Subdivision (f) of such section 3 is further amended by adding at the end thereof the following sentence: "Where the decision in such hearing is adverse to the applicant for hearing, such applicant shall pay to the Secretary of Commerce, to be covered into the Treasury as miscellaneous receipts, an amount equal to such portion of the costs of the hearing as the Secretary of Commerce may designate, and in any case the applicant may be required by the Secretary of Commerce to furnish bond, with such surety as he may approve, to cover all such costs before the matter is heard."

SEC. 8. Such act is amended by adding after section 3 (U.S.C., supp. VII, title 49, sec. 173) a new section as follows:

"SEC. 3a. (1) In case of failure to comply with any subpena issued under authority of this act, the Secretary of Commerce, or his authorized representative, may invoke the aid of any United States district court, the Supreme Court of the District of Columbia, or the United States court of any Territory or other place to which this act applies. The court may thereupon order the person to whom the subpena was issued to comply with the requirements of the subpena or to give evidence with respect to the matter in question. Any failure to obey the order may be punished by the court as a contempt thereof.

"(2) No person shall be excused from attending and testifying or from producing books, papers, documents, exhibits, and other evidence before the Secretary of Commerce or his designated representative or in obedience to the subpena of the Secretary of Commerce or his designated representative, or in any cause or proceeding instituted by the Secretary of Commerce or his designated representative, on the ground that the testimony or evidence, documentary or otherwise, required of him, may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(3) Any notary public or other officer authorized by law of the United States, or any State, Territory, or possession thereof, or the District of Columbia, to take acknowledgment of deeds, any consular officer of the United States, and any officer or employee of the Department of Commerce designated by the Secretary in writing for the purpose, shall be competent to administer oaths for the purposes of this act. Subpenas for the purposes of this act may be served personally or sent by registered mail."

SEC. 9. Section 5 of such act (U.S.C., supp. VII, title 49, sec. 175) is amended by adding at the end thereof the following new subdivision:

"(g) The persons owning or operating any bridge, causeway, transportation or transmission line, or any structure over navigable waters of the United States shall maintain at their own expense such lights and other signals thereon for the protection of air navigation as the Secretary of Commerce shall prescribe."

SEC. 10. Subdivision (k) of section 9 of such act (U.S.C., supp. VII, title 49, sec. 179 (k)) is amended by inserting before the period at the end thereof the following: "or of parachutes."

SEC. 11. Paragraph (3) of subdivision (a) of section 11 of such act (U.S.C., supp. VII, title 49, sec. 181 (a) is amended by inserting before the period at the end thereof the following: "or to operate any airline in interstate or foreign air commerce without an airline certificate or in violation of the terms of any such certificate."

SEC. 12. Paragraph (5) of subdivision (a) of such section 11 is amended by inserting before the period at the end thereof the following: "or to operate any aircraft registered as an aircraft of the United States otherwise than in conformity with the regulations of the Secretary of Commerce pertaining thereto."

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.

TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS

Mr. SINCLAIR. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, S. 3626, referring to the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That jurisdiction be, and is hereby, conferred upon the Court of Claims, with right of appeal to the Supreme Court of the United States by either party, notwithstanding the lapse of time or statutes of limitation, to hear, adjudicate, and render judgment, according to right and justice, on any and all claims not heretofore determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States, arising under any treaty, act of Congress, agreement, Executive order, or treaty with any other tribes or nations of Indians, or relating to, affecting, or violating the land occupancy or other rights of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota, including the band of Chief or Thomas Little Shell, and other isolated bands of Chippewas of North Dakota and Montana. The said courts shall consider all such claims de novo, upon a legal and equitable basis, and without regard to any settlement heretofore had in respect to any such claims.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits be instituted or petition or petitions filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act, and such suit or suits shall make the Indians mentioned in section 1 hereof party or parties plaintiff and the United States of America party defendant. The claim or claims of the band or bands aforementioned may be presented separately or jointly by petition or petitions, subject, however, to amendment. The petition or petitions shall be verified by the respective attorney or attorneys employed to prosecute such claim or claims under the contract with the Turtle Mountain Band or Bands of Chippewa Indians, approved by the Commissioner of Indian Affairs and the Secretary of the Interior, as provided by law. Official letters, papers, documents, reports, and records, or certified copies thereof, may be used in evidence; and the departments of the Government shall give access to the attorney or attorneys of said Turtle Mountain Band or Bands such treaties, agreements, papers, reports, correspondence, or records as may be needed by the attorney or attorneys of said band or bands of Indians.

SEC. 3. That if any claim or claims be submitted to said court it shall determine the rights of the parties thereto, notwithstanding lapse of time or statutes of limitation, and any payment which may have been made by the United States upon any claim so submitted shall not be pleaded as an estoppel but may be pleaded as a set-off in any suit; and the United States shall be allowed credit subsequent to the date of any law, treaty, agreement, or Executive order under which the claims arise for any sum or sums, including gratuities, heretofore paid or expended for the benefit of said Indians.

SEC. 4. That if the Court of Claims shall determine that the United States, under the provisions of any agreement, Executive order, law, or treaty referred to in section 1 hereof, has unlawfully appropriated or disposed of any property belonging to the said Turtle Mountain Band or Bands of Chippewa Indians, or to which the said Indians had the right of title by occupancy; or if the said court shall determine that the United States, under the provisions of any such agreement, Executive order, law, or treaty, herein referred to, under mistake of fact or duress, obtained title to or the cession of any land from the said Indians for an inadequate consideration; or if the court shall determine that the United States obtained cessions of land from said band or bands of Indians without obtaining the consent of a majority of the male adult members thereof; or if the court shall determine that the United States, to the loss of said Indians, appropriated to its own use or to the use of any other Indian tribe or band, or per-

mitted white settlers to occupy and acquire title under the public-land laws of the United States, to any lands in North Dakota the title or occupancy of which by the said Indians had been recognized by other tribes and by official reports of the Secretary of the Interior and the Commissioner of Indian Affairs; or if a portion of the land so claimed by the said band or bands was taken from them by an Executive order for the benefit of any other band or tribe of Indians, without compensation to the said Turtle Mountain Band or Bands of Chippewa Indians, the damages shall be confined to the reasonable money value thereof at the time of such appropriation: *Provided*, That if the Court of Claims shall determine that the United States, by reason of any delay on the part of its authorized agents in submitting for ratification any agreement with the said Turtle Mountain Band or Bands of Chippewa Indians, for the purchase or cession of any land so occupied and possessed by them, or that the Congress of the United States unduly delayed the ratification of any such agreement whereby any such lands were ceded to the United States, to the detriment and loss of the said Indians, then the said court is hereby authorized to award and enter judgment, as justice and equity may demand, for damages due to such delay at 4 percent per annum of the stipulated or agreed amount set out in any such agreement ceding such lands to the United States, and to compute such interest from the date the said agreement was signed or executed by the said Indians; and with reference to all claims which may be the subject matter of the suit or suits herein authorized, the decree of the court shall be in full settlement of all damages, if any, committed by the Government of the United States and shall annul and cancel all claim, right, and title of the said Turtle Mountain Band or Bands of Chippewa Indians in and to such money or other property.

SEC. 5. Upon the final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery in each instance, together with all necessary and proper expenses incurred in preparation and prosecution of the suit or suits, to be paid to the respective attorneys employed by the said band or bands of Indians, and the same shall be included in the decree and shall be paid out of any sum or sums found to be due said band or bands of Indians. The court shall have jurisdiction and is hereby further authorized to determine what amount of the recovery, if any, shall be awarded to the respective bands who bring suit or suits hereunder.

SEC. 6. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit or suits any other tribe or band of Indians deemed by it necessary or proper to the final determination of the matters in controversy. A copy of the petition or petitions shall, in such case, be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case.

SEC. 7. The proceeds of all amounts, if any, recovered for said band or bands of Indians, less fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the judgment or decree.

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.

CONVEYANCE OF CERTAIN LANDS TO STATE OF SOUTH DAKOTA FOR PUBLIC-PARK PURPOSES

Mr. WERNER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3741), to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes.

The Clerk read the title of the bill.

Mr. ENGLEBRIGHT. Mr. Speaker, reserving the right to object, is this the Norbeck bill?

Mr. WERNER. It is.

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

There was no objection.

The Clerk read the bill as follows:

Whereas it has been the policy of the United States to set aside and maintain for public-park purposes areas of the public domain having striking and unusual scenic features and which are more valuable for park than commercial purposes; and

Whereas the State of South Dakota is the only State in the Union that has set aside and maintained as a public park an area which, in point of scenic beauty, unusual features, size, and development, compares favorably with the better class of national parks; and

Whereas said park contains 60,000 acres which are owned by the State of South Dakota, but which are exclusively devoted to the use and benefit of all the people of the United States without discrimination, but which are separated into two areas by intervening national-forest lands; and

Whereas the procurement of additional lands is necessary to consolidate and enlarge said park into an ideal park unit of approximately 100,000 acres, which the State of South Dakota agrees to maintain in perpetuity for public-park purposes; and

Whereas said State has expended $300,000 in the construction of highways through forest lands now attached to said park for game purposes without material contribution from the United States; and

Whereas division of administration and control is not conducive to a proper and ideal development of the area as a public playground and recreational region: Therefore

Be it enacted, etc., That upon the conditions hereinafter set out there be, and is hereby, granted and conveyed to the State of South Dakota for public-park purposes the publicly owned forest and other lands included in the following Presidential proclamations, with certain exceptions hereinafter referred to, aggregating approximately 40,600 acres, to wit:

(a) The proclamation of the President of October 9, 1920 (41 Stat. 1805), made in pursuance of the act of June 5, 1920 (41 Stat. 986), covering the following-described land:

In township 2 south, range 4 east, Black Hills meridian, all of those parts of sections 22 and 27 lying east of the right-of-way of the Chicago, Burlington & Quincy Railroad, north half section 35, sections 23, 24, 25, 26, and 36; in township 2 south, range 5 east, Black Hills meridian, south half sections 7, 8, 9, 10, 11, and 12, all of sections 13 to 36, inclusive; in township 2 south, range 6 east, Black Hills meridian; south half sections 7 and 20, southwest quarter section 21; west half sections 28 and 33; all of sections 18, 19, 29, 30, 31, and 32; in township 3 south, range 5 east, Black Hills meridian; sections 3, 4, 5, and 6.

(b) The proclamation of the President of January 8, 1925 (43 Stat. 1981), made in pursuance of the act of June 7, 1924 (43 Stat. 632), covering the following described land:

East half section 13, township 2 south, range 4 east; south half sections 2, 3, 4, and 5, and the north half sections 8, 9, 10, 11, and 12, township 2 south, range 5 east; north half section 7, section 8, south half section 9, section 16, section 17, north half section 20, north half and southeast quarter section 21, west half section 27, east half section 28, east half section 33, section 34, and west half section 35, township 2 south, range 6 east; north half section 1, township 3 south, range 4 east; southeast quarter southeast quarter section 21, south half section 22, north half north half section 27, township 3 south, range 5 east; sections 1, 2, 11, 12, 13, 14, 23, 24, 25, and 26, township 5 south, range 5 east, all of the Black Hills meridian, except the east half of southwest quarter, and the southeast quarter of section 26, and south half of section 25, township 5 south, range 5 east; north half of section 7, north half of section 8, south half of section 9, all of section 16, and north half of section 21, township 2 south, range 6 east, Black Hills meridian.

(c) The proclamation of the President of January 14, 1929 (45 Stat. 2985), made in pursuance of the act of June 7, 1925 (43 Stat. 632), covering the following-described land:

South half section 21, north half north half section 28, township 3 south, range 5 east, Black Hills meridian.

(d) All the above-described lands, when conveyed, are to be and become a part of the enlarged Custer State Park in the State of South Dakota. The grant and conveyance herein provided for shall be conditioned upon (1) the perpetual use of all the lands herein conveyed for park purposes by the State of South Dakota; (2) the said State maintaining in perpetuity for park purposes not less than 100,000 acres to be comprised of the present Custer State Park and the lands herein conveyed: *Provided*, That this grant shall not include any land which on the date of the approval of this act is covered by any existing bona fide right or claim under the laws of the United States, unless and until such right or claim is relinquished or extinguished.

(e) The State of South Dakota shall have the right to acquire by contest, relinquishment, or purchase, any valid mining or other claim now existing therein.

SEC. 2. That existing contracts entered into by the United States Forest Service for the cutting of timber upon the lands described in section 1 shall remain in full force and effect and shall be carried out and administered by said Service under the direction of the Secretary of Agriculture.

Timbering as carried on by the United States Forestry Service, under existing regulations, may be continued by the Department of Agriculture within the areas above described after such lands are formally transferred to the State of South Dakota, but no contract for the cutting of timber shall be made which will permit the removal of timber after the expiration of 7 years from effective date of this act: *Provided*, That the scenic beauty along highways and trails shall be preserved, and no timber adjacent thereto shall be cut without the consent of the State of South Dakota.

SEC. 3. That such special-use permits as are in force at the time of the actual transfer of the above-described lands to the State of South Dakota covering cabin sites upon which substantial improvements have been made shall continue in force so long as such sites shall be used by the permittees then occupying the same for the purposes and in the manner specified in such permits, subject to such reasonable annual fees, rules, and regulations as the State of South Dakota may impose.

SEC. 4. The United States reserves all coal, oil, gas, or other minerals in the lands conveyed under this act with the right, in case any of the conveyed lands are found by the Secretary of the Interior to be more valuable for minerals therein than for park purposes, to provide by special legislation for the disposition and extraction of the coal, oil, gas, or other minerals therein: *Provided*,

That in passing such legislation due regard shall be had for the rights of the State of South Dakota in the premises.

SEC. 5. In the event of the failure on the part of the State of South Dakota to maintain the above-described lands for public-park purposes the title to the lands granted by this act shall revert to the United States, and the Secretary of Agriculture and the Secretary of the Interior are hereby authorized to determine the facts and report to the President, who may then declare a forfeiture and reversion, whereupon such lands shall be restored to the public domain.

SEC. 6. That the State of South Dakota shall cut no timber in the Rushmore Reservation, within which the National Rushmore Memorial is located, but shall maintain the same in its natural state and in its present wilderness condition and protect it against forest fires. The Rushmore Reservation contains 1,420 acres and is described as follows:

In township 2 south, range 6 east, Black Hills meridian, the northwest quarter southeast quarter and north half southwest quarter section 8, the south half and the southwest quarter northwest quarter section 7, the northwest quarter and west half southwest quarter and northeast quarter southwest quarter and west half northeast quarter section 18, the west half northwest quarter and southwest quarter northeast quarter northwest quarter and northwest quarter southeast quarter northwest quarter section 19; in township 2 south, range 5 east, Black Hills meridian, the east half southeast quarter and southeast quarter northeast quarter section 12, the northeast quarter and north half southeast quarter and southeast quarter southeast quarter section 13 and east half northeast quarter section 24.

SEC. 7. That the grant and conveyance of the lands described herein from the United States to the State of South Dakota shall become effective when the conditions herein are accepted by the State of South Dakota. The President shall then issue a proclamation declaring that the conditions precedent herein required have been complied with, whereupon said conveyance shall be and become complete, subject to the conditions provided in this act.

The bill 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.

THREE HUNDREDTH ANNIVERSARY OF THE DISCOVERY OF THE NORTHWEST

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. HUGHES] may have 5 minutes in which to address the House.

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

There was no objection.

Mr. HUGHES. Mr. Speaker, I have requested this time and I seek the attention of the Members of the House in the consideration of the event of great historical interest and importance. This year of 1934 marks the three hundredth anniversary of the white man's coming to the great Northwest. Three centuries have passed since that vast region out of which were carved the sovereign States of Ohio, Indiana, Michigan, Illinois, and Wisconsin was first discovered and explored, opened up, to yield to the influence and the settlement of the Old World and its people, their Christianity, culture, and civilization.

No chapter in all America's history records more of daring action, brave enterprise, and unselfish devotion to cause. Across its pages move men whose vision, resolution, and courage made a generous contribution to the building of a Nation and to the historic lore and traditions of a people. In the review of the history of the early stages of discovery and exploration, one name, one man, dominates the picture. It is Jean Nicolet, adventurous French explorer and voyageur, the first white man to penetrate this great unknown region. By this achievement he ranks with the illustrious Marquette, Joliet, De La Salle, and other heroic figures whose lives and deeds are interwoven in the history of the discovery, exploration, and settlement of the great Northwest territory. It is true that Nicolet precedes all of these in his activity; it is a most significant fact that his discovery and exploration carried on more than a thousand miles in the great interior of the Great Lakes territory at a time when the Colony of Jamestown struggled to survive; when the Pilgrims at Plymouth Rock and the Puritans of the Massachusetts Bay Colony were so involved with hardship, trial, and trouble that they had little thought and no concern for what lay beyond the setting sun.

At this period Oglethorpe experimented in Georgia; Lord Baltimore ventured the Maryland colony. Samuel Champlain, founder of New France, was responsible for and sponsored this voyage of discovery and exploration. His leadership had attracted and inspired the youthful Frenchman, Nicolet, to dedicate his life to a career of service to his king and the colony. Under Champlain's direction and guidance and discipline, Nicolet had journeyed deep into the Canadian wilderness and joined a tribe of the Algonquins. Eagerly he sought to learn their language; closely he studied the manner and the method of their mode of living. He sat at their council fires and joined them on the wilderness trail and in hunt and in warfare. Through these long years of apprenticeship, and because he was able and worthy, he gained the good will, the faith, and confidence of the savages. They made him a chief, and they called him "brother", and he was recognized by the tribes of the Canadian wilderness as a leader honest in trade, wise in council, strong and brave in battle. Nicolet emerged from this long experience with full knowledge and information; grown strong in ability and character; qualified to the highest degree to assume leadership in the ambitious plans of Champlain for the further extension and expansion of the power and possessions of the Old France in the New World. Champlain, at Quebec, had heard rumors through the envoys of the tribes of the far regions of a great stream that emptied into a western sea and upon whose shores there lived a powerful, warlike tribe called the Winnebagoes, the people of the fetid waters. This suggested to Champlain the possibility of a water route to China and access to the rich oriental trade which for more than a century and a half had been the great objective of explorers and discoverers. It was his decision to seek out the water route and to explore and claim it in the name of his king. Jean Nicolet was selected to head this expedition. Eminently prepared, and in the high spirit of adventure, he accepted the mission and undertook the task. He departed from Quebec early in July of the year of 1634, and accompanied by seven men of the Huron Nation he plied his way up the Ottawa River, entered Lake Nippising, and pushed on by water to Georgian Bay and into Lake Huron; the small company then passed through the Straits of Mackinac into the then unknown majestic Lake Michigan.

The saga of this journey is written in hardship and trial, in peril and exposure, ever met with courage and fortitude, and as Nicolet journeyed he contacted the tribes, and from them he gained further knowledge of the general character of the region and the tribes that peopled it.

Again, he heard of the Winnebagoes and their permanent village on the shores of Green Bay, the largest arm of the great Lake Michigan. Over leagues of water wastes he traveled, and when within 2 days of the Indian village, he paused and sent ahead an emissary bearing gifts and words of friendship and peace; 2 days later he arrived at the village and found gathered there a great number of the savages. He prepared for the occasion by donning a mandarin robe, beautiful in oriental color and design, and as he touched foot upon the shore, he saluted the chiefs and the tribal members by firing two pistols into the air, the first ever to be heard in this ancient world. The women and children fled, terrified, to the forest that fringed the waterline. The braves were awed and impressed by this great white stranger who came bearing thunder in his hands.

The explorer joined the Winnebagoes in a feast of friendship and related to them the story of the power and the glory of his king and country. Shortly after, he pushed on down the River Fox into the interior of what now is Wisconsin. His canoes entered Lake Winnebago, and by following its southern outlet, pushed farther into the interior. Hard overland portages worked great difficulty on the small company, and it may be believed that this and other difficulties encountered caused Nicolet to turn back when within only a few miles of the Mississippi River.

It was about the time of his turning back that Nicolet realized that his dream of a water route to China was a myth, but he was quick to recognize that he had discovered an empire—an empire of rich lands, dense forests, great waterways—all of which would add a thousandfold and more to the wealth and power of his king.

The expedition halted its return to Quebec at the Indian village on Green Bay, spending the winter with the tribe. From this point he conducted exploratory trips; he summoned outlying tribes to councils of peace and friendship, and in this way prepared the ground for colonization. When spring came, Nicolet prepared to journey back to Quebec, but before taking leave he called all the tribes and their chiefs into a grand council and feast, at which a treaty of peace was made. .

Upon returning to Champlain's headquarters, Nicolet reported in person, and told in glowing terms of the vast new empire which he had laid bare and claimed as a part of New France.

Briefly, this is the story of the voyage of Nicolet, and in a few short years following his enterprise, there came to these shores the black-robed missioners of the ancient church. They had left the peace and quiet and the security of the monastaries of the Old World and journeyed over a turbulent sea to New France. They plunged into this wilderness, not seeking power of wealth, but inspired by the sole thought of bringing to the savages the message of peace on earth and good will to men. In the villages, where the tribes gathered to trade and barter, they erected on high the cross of the crucified Christ and built their humble missions. In patience, with sympathy and understanding, they taught the way of the Master, the story of their efforts and labors, their sublime courage and Christian fortitude, their suffering and sacrifices and the martyrdom of many of their number writes one of the most beautiful pages in the annals of men in all the history of time.

In the wake of the missionaries came the fur trader and trapper, the courier du bois of the north woods, and these men of the wilderness built the trading stations and the frontier posts. France and England, great rivals, both seeking the domination of North America, both striving for supremacy and control of the fur trade, became involved in war, and England, victorious, took possession of the Northwest and made it British domain, and dominated and controlled the whole territory.

The War of the revolution and the success of the Colonies in that great conflict brought the Northwest into being as part of the new American Nation. The great factors in this attainment were the wise planning of Gov. Patrick Henry, of Virginia, the military genius and leadership of the peerless George Rogers Clark, and the wisdom and persistency of the peace envoys of the new Nation. Thus, the history of the Northwest was written under the flag of France, the emblem of England, and now, and forever and a day, under the Stars and Stripes of the United States of America.

Years; yes, centuries have joined the march of time since Nicolet discovered and explored the Northwest. Great changes have been wrought by the passing years. Indian wigwams and villages have long since disappeared; the white man has built and erected on these spots great cities that rival those of the whole world. Out of the dense forests have been carved great farms and modern civilized communities of trade and industry, and on the waterways, where once the birch-bark canoe served as the only mode of travel, now move great ships and vessels carrying the commerce of the world. In this northwestern area more than 22 percent of the Nation's tangible wealth is to be found; within its limits live 25 percent of the whole population.

Wisconsin is celebrating the three hundredth anniversary of Nicolet's discovery, this summer, at the historic old city of Green Bay, Wis.

This old community is rich in historic lore and romance to interest and charm America and Americans. Our great President, Franklin Roosevelt, will honor Wisconsin as its guest, and representatives of France, England, and Canada will participate in the tercentenary, thus commemorating a great historic event in the affairs of the Nation.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

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

There was no objection.

Mr. SNYDER. Mr. Speaker, 1 year ago today, the extra session of the Seventy-third Congress adjourned. At that time I called attention to the thousands—yes, hundreds of thousands—of unemployed high-school graduates and college graduates walking the streets throughout our Nation, looking for work. This June our colleges and high schools are turning out another quarter million of graduates who are looking for work.

Added to these, we had on March 4, 1933, some fifteen million other men and women in the Nation that were unemployed. Just averaging three to a family, it left us some forty-five or fifty millions of men, women, and children who were unemployed and, in most cases, living on charity. When President Roosevelt took his oath of office on March 4, 1933, he said: "We need action and need it now." The Seventy-third Congress went into action on March 8, 1933, and set up a government procedure which embodied some fifteen major administrative measures, passed by that extra session of Congress which ended a year ago today.

The governmental machinery has been operating under these measures for the last year, and the constructive citizenship and nation-building results are in evidence everywhere. Some six or seven million of the unemployed at that time are now employed. Hope and confidence has been restored in the hearts of a hundred and twenty million of our people.

The C.C.C. camps, established by the Government some 11 months ago, absorbed some 300,000 of our boys, and another three or four hundred thousand of the high-school boys and college boys that I referred to, have found employment in stores, shops, mines, mills, and factories, and other institutions.

My reference to the youth, or the high-school group, was prompted by the remark made by an old stand-pat Republican dictator or leader in a recent address. He referred to the fact that we have now many radical Socialists and Communists in our country. He inferred that the Government set-up of the Seventy-third Congress had something to do with bringing about this attitude of mind in the hearts of this group of our citizens. His reasoning, or rather his lack of reasoning, is evidence that old bossism and Wall Street manipulation of governmental affairs is out of step with the youth of the Nation.

The Seventy-third Congress and some hundred and twenty million of the people remember vividly that it was the bad leadership, or lack of leadership, on the part of the Republican leaders and dictators in the Nation during the fat years from 1922 to 1929 that plunged us into the chaotic depression and panic of 1929 to 1933.

The communistic ideas and ideals that are now found in our country are the direct result of the Government's bad management during these prosperous years prior to 1929.

When the social and economic fabric of our Nation ceased to function for almost 4 long years, and the days and the weeks grew darker and darker and the multiplied millions of unemployed walked our streets and alleys—it was during these times and during these hours that the Communists and Bolsheviki that we now have were driven into this attitude of mind. Yes, Mr. Speaker, the Communistic and Bolshevik outbreaks and demonstrations in our country are a result of the actions of the Nation's leaders and the soup-house environment of the Nation in the years just prior to March 4, 1933.

Today, we find the Nation heartened because of the splendid results of a year's activities under the Roosevelt administration. Members of the Seventy-third Congress, realizing the splendid results of the measures passed by the first session of the Seventy-third Congress set to work and spread upon the statute books during this regular session, beginning January 3, 1934, and ending today, some fifteen other major measures which are designed to further strengthen the social and economic fabric of the Nation and put millions more men and women back to work.

In passing, I should like to say that some of our more selfish and greedy citizens referred to some of the bills that Congress has passed in the last two sessions as unconstitutional. It is encouraging to realize that this same group know within their own hearts that the framers of the Constitution of the United States intended it in spirit and in letter that the Constitution should be broad enough and flexible enough to protect all the people of the United States. It is encouraging to the Members of Congress to know that the multiplied millions and millions, yes, practically the entire citizenship of the Nation believe and follow the Constitution—they swear by it and are willing to die to protect it, because they know that it is broad enough to protect them.

Mr. Speaker, I did not want to take the time to discuss at length any of the bills passed at this session of Congress, but I beg leave to call attention to four of them. We might call them the "four horsemen."

The first of these is the railroad employees' retirement bill. This bill will bring cheer and comfort at once to some 50,000 homes. Over a space of years, we will find that it will be found to be economical in its operation.

Since we have drifted from an agricultural nation into an industrial nation, it is evident that we must somehow care for those who have grown old in the service as employees. Very few business institutions, whether store, mine, mill, or factory, will employ a man after he has reached 55 years of age. Therefore, if we pension this group at a reasonable pension and give work to the younger group, we will increase the efficiency, especially in the physical jobs and positions. Thus, over a space of years, the Nation or the institution (if it be a private company) saves money.

The committee also found that it costs an average of $50 a month or $600 a year to keep one person in an old-age house, poorhouse, or some similar institution. From a money point of view, it will be a saving to pay a $30 or $40 a month pension. But there is much more than money involved in citizenship building and nation building. If we pay these old people $30 or $40 a month and let them live in their own home, or be cared for by their families, we will save tens of thousands of heartaches and prolong tens of thousands of lives.

The second bill I wish to call your attention to is the bill known as "An act to establish a uniform system of bankruptcy throughout the United States." The provision in this bill in section 75 entitled "Agricultural Compensation and Extension" will save thousands, yes, tens of thousands of farmers, from losing their homes. I am glad I had a part in setting up a measure that puts the farmer on the same basis as the banker and the business man when it comes to mortgages and loans and values. As soon as the farmers of the Nation are acquainted with the merits of this measure they will forever give praise to the Democratic Party and the Seventy-third Congress for saving them and making it almost impossible for the Mellons and the Morgans to close in on them when they are in financial difficulties.

The third bill we just passed, which will give pensions to the widows and orphans of the World War veterans is a humane measure that I have been working for, and I dare say, every Member of Congress, since the Seventy-third Congress was called into action. It puts the World War widows and orphans on a parity with the Spanish War widows and orphans. I was glad to hear our able Chairman on the Pension Committee, Mr. RANKIN, of Mississippi, say that it was a most liberal provision. I am of the belief that these widows and orphans should be cared for, just as I believe every soldier who was actually disabled or in any way physically impaired directly or indirectly from war activities should be pensioned according to his inability and need.

We could make several other of the outstanding measures the fourth in our "four horsemen", but perhaps the Wagner labor bill as amended and finally passed is the most appropriate one to include in the fourth. It deals primarily with the controversies that have grown out of section 7–A of the National Recovery Act. This bill provides in its set-up, where both boards are honest in their purposes, for an amicable adjustment of all disputes. Of course, where the human element enters into any technical question or controversial question, it is assumed that both sides will act for the best interests of all concerned. If this, in letter and spirit, is carried out by the several companies or labor boards concerned, we will have almost solved the strike problem and other agitating problems that have confronted us in our mills, factories, and mines for many years.

Mr. Speaker, I want to say in closing that the people of the Nation have confidence in President Roosevelt; they have confidence in the administrative procedure, and they have confidence that the laws enacted by the Seventy-third Congress in this session will further strengthen and vitalize the social and economic fabric of our country.

The four bills, or measures I referred to here, together with a number of others I could have mentioned, are evidence and proof that the Democratic party is the party of the plain people and the common people; it is the party that protects and provides for the miners, the farmers, the laborers, and the business men.

Mr. WOLFENDEN. Mr. Speaker, I suggest the absence of a quorum.

RECESS

Mr. BYRNS. Mr. Speaker, I move the House stand in recess, subject to the call of the Chair.

Mr. KVALE. Would it not be better for the House to stay in session and consider some of the Senate bills on the Private Calendar?

The SPEAKER. It would not, without having a quorum present.

The question is on the motion of the gentleman from Tennessee.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p.m.) the House stood in recess to meet at the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 7 o'clock p.m.

APPOINTMENT TO COMMITTEES

The SPEAKER announced the following appointments:

Pursuant to the provisions of House Resolution 412, the Chair appoints as members of the Committee to Investigate Real Estate Bondholders' Reorganizations the following Members of the House: Mr. SABATH, of Illinois; Mr. O'CONNOR, of New York; Mr. FULLER, of Arkansas; Mr. O'MALLEY, of Wisconsin; Mr. CONNOLLY, of Pennsylvania; Mr. CULKIN, of New York; and Mr. DIRKSEN, of Illinois.

Pursuant to the provisions of House Resolution 336, the Chair appoints as members of the Committee to Investigate Campaign Expenditures the following Members of the House: Mr. BLACK, of New York; Mr. GRANFIELD, of Massachusetts; Mr. ADAMS, of Delaware; Mr. LEHLBACH, of New Jersey; and Mr. HANCOCK, of New York.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills, a joint resolution, and concurrent resolutions of the House of the following titles:

H.R. 3726. An act to grant a patent to Albert M. Johnson and Walter Scott;

H.R. 9178. An act to regulate the business of life insurance in the District of Columbia;

H.R. 9867. An act amending the Independent Offices Appropriation Act of 1935;

H.R. 9936. An act 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;

H.R. 9946. An act 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;

H.J.Res. 371. 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;

H.Con.Res. 39. Concurrent resolution to print, with illustrations, the proceedings at the joint session of Congress in the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier, Marquis de La Fayette; and

H.Con.Res. 44. Concurrent resolution to provide for the printing and binding of prayers offered by the Reverend James Shera Montgomery, Chaplain of the House of Representatives, during the opening of the daily sessions of the Seventy-second and Seventy-third Congresses.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1103. An act to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla.; and

S. 2702. An act to amend the Civil Service Retirement Act of May 20, 1930, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3646. An act 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.

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

H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended; and

H.J.Res. 375. Joint resolution to effectuate further the policy of the National Industrial Recovery Act.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9046) entitled "An act to discontinue administrative furloughs in the Postal Service."

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3580) 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", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCarran, Mr. Long, and Mr. Robinson of Indiana to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3487) entitled "An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8910) entitled "An act to establish a National Archives of the United States Government, and for other purposes."

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On June 13, 1934:

H.R. 311. An act for the relief of Martin Henry Waterman, deceased;

H.R. 2692. An act for the relief of Lula A. Densmore;

H.R. 2748. An act for the relief of A. C. Francis;

H.R. 3353. An act to provide a preliminary examination of Stillaguamish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3354. An act to provide a preliminary examination of Snohomish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3362. An act to provide a preliminary examination of Nooksack River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3363. An act to provide a preliminary examination of Skagit River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 4541. An act for the relief of George Dacas;

H.R. 4932. An act for the relief of Judd W. Hulbert;

H.R. 5636. An act for the relief of Jose Ramon Cordova;

H.R. 5935. An act for the relief of Oscar P. Cox;

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr;

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof;

H.R. 8234. An act to provide a preliminary examination of the Paint Rock River in Jackson County, Ala., with a view to the control of its floods;

H.R. 8562. An act to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Massachusetts;

H.R. 9400. An act to exempt from taxation certain property of the American Legion in the District of Columbia;

H.R. 9430. An act to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9431. An act to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9432. An act to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9433. An act to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters; and

H.R. 9694. An act to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933.

On June 14, 1934:

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa;

H.R. 2287. An act for the relief of Warren Burke;

H.R. 3167. An act for the relief of Sue Hall Erwin;

H.R. 3423. An act for the relief of Benjamin Wright, deceased;

H.R. 3992. An act for the relief of C. A. Betz;

H.R. 4337. An act to amend the Judicial Code by adding a new section to be numbered 274D;

H.R. 4962. An act for the relief of Joseph R. Lynch;

H.R. 5175. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H.R. 5597. An act to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.;

H.R. 5780. An act for the relief of Lt. H. W. Taylor, United States Navy;

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 6847. An act providing for the acquisition of additional lands for the naval air station at Hampton Roads Naval Operating Base, Norfolk, Va.;

H.R. 7028. An act for the relief of Mrs. Joseph Roncoli;

H.R. 7185. An act to authorize the purchase by the city of Forest Grove, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 7213. An act to provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer;

H.R. 7367. An act for the relief of Sarah Smolen;

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga.;

H.R. 8779. An act to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina;

H.R. 8927. An act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes; and

H.R. 9392. An act to reclassify terminal railway post offices;

On June 15, 1934:

H.R. 1405. An act for the relief of the Yosemite Lumber Co.;

H.R. 6675. An act to authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service;

H.R. 7360. An act to establish a minimum area for the Great Smoky Mountains National Park, and for other purposes;

H.R. 7759. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin;

H.R. 8541. An act to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin;

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of Saint Ann's Church of the District of Columbia; and

H.R. 3768. An act to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies.

On June 16, 1934:

H.R. 5344. An act granting a franking privilege to Grace G. Coolidge;

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution;

H.R. 3214. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn;

H.R. 4272. An act for the relief of Annie Moran;

H.R. 4460. An act to provide for the payment of compensation to George E. Q. Johnson;

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts; and

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes.

NECESSITY FOR EQUIPPING FOR NIGHT FLYING DIRECT AIR-MAIL ROUTE BETWEEN DENVER AND KANSAS CITY

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution of the Colorado General Assembly.

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

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution of the Twenty-ninth General Assembly of the State of Colorado urging the necessity for lighting and equipping with radio-range beacons the direct air-mail route between Denver and Kansas City in order to permit night flying.

Senate Concurrent Resolution No. 1 (by Senators Knous, Healy, Ammons, Quiat, Kettering, Hill, Manley, Houston, and Nelson; Representatives Aspinall, Atencio, Barrick, Barron, Bishop, Bixler, Brownlow, Burnett, Burns, Calkins, Cawlfield, Childress, Constantine, Cullen, Dameron, Day, Dunn, England, Fisher, Fogg, Galloway, Hallen, Hanney, Higby, Hillman, Hinkley, Hirschfeld, Hoag, Hoefnagels, Hudson, Irwin, Jankovsky, Johns, Johnston, Kavanagh, Keating, LaFolette, McCandless, McDonald, McNaughton, Miller, Morris, Mofatt, Moynahan, Newman, Palmer, Parfet, Poppen, Prather, Preston, Rogers, Seidensticker, Smith, Tinsley, Trainor, Vincent, Weeks, White, Wilson, Woodward, Woods, and Twining)

Whereas the improvement of air transportation facilities, emergency landing fields, the construction of radio-range stations, and the lighting of air-mail routes throughout the United States have heretofore been approved by the Public Works Administration of the United States of America as appropriate measures to be undertaken by the Federal Government in its Nation-wide Public Works program; and

Whereas no facilities for night flying, directly to the east or directly to the west, have been afforded to the State of Colorado, although the Federal Government has equipped almost every other air-mail route in the United States with either radio-range stations or lighting beacons to enable night flight; and

Whereas communication between Colorado and the large eastern business centers, including New York, Washington, Chicago, St. Louis, and Kansas City, will be greatly facilitated by the night transportation of passengers and mail; and

Whereas the building up of a transportation system directly from Colorado to the east and west is of great importance to the entire State and to the military program of the Federal Government, and can only be accomplished when night flight is made possible; and

Whereas the air-mail route between Denver and Kansas City can be equipped with beacon lights and radio-range equipment for an expenditure of approximately $200,000, making possible the delivery of passengers and mail between Denver and New York on a schedule of approximately 12 hours; and

Whereas the Governor of Kansas has joined with the Governor of Colorado in petitioning the Public Works Administration of the United States of America for the allocation of Federal funds to light and equip with radio-range beacons the said air-mail route: Now, therefore, be it

Resolved by the Senate of the Twenty-ninth General Assembly of the State of Colorado (the house concurring), That it is the sense of the twenty-ninth general assembly that the proposal to enable night flight direct to the east, so made by the said Governor of Colorado and the Governor of Kansas, is of great importance to the people of this State, and is a project which conforms to all the purposes of the Federal appropriations for the Public Works Administration; be it further

Resolved, That we urge upon the Secretary of the Interior of the United States and upon the Public Works Administration, the immediate allocation of the necessary funds to bring about this important development for the State of Colorado.

RAY H. TALBOT,
President of the Senate.
W. H. TWINING,
Speaker of the House of Representatives.
ED C. JOHNSON,
Governor of the State of Colorado.

WILLARD FAMILY ASSOCIATION TABLET, FORT DEVENS, MASS.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3528) to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass., which has been reported favorably by the Committee on Military Affairs.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to grant permission to the Willard Family Association to erect an appropriate tablet at Fort Devens, Mass., on the site of the farm formerly owned by Maj. Simon Willard, but the United States shall not be put to any expense in or by the erection thereof.

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.

AMENDMENT TO THE AGRICULTURAL ADJUSTMENT ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9829) to amend the Agricultural Adjustment Act with respect to the proc-

essing tax on hogs, with Senate amendments, and agree to the Senate amendments.

Mr. MARTIN of Massachusetts. Will the gentleman explain the amendments?

Mr. JONES. There are three amendments. If the gentleman will recall, the first part of the bill provided an exemption up to a certain amount, I believe 2,000 pounds. This was stricken out by the Senate. This leaves an exemption of 300 pounds and also what is used by a man for members of his own household as provided by regulation. Then the Senate left in the bill the House provision which stops the practice which had grown up in some sections on the part of processors who required the producer to kill his own hogs before sale, thus placing the tax on the farmer. Under this provision, the tax will be placed on the processor instead of the farmer.

Then they added an amendment which stipulates that whenever the floor tax on any commodity is increased or decreased the tax may be adjusted, and where it is reduced or eliminated they can refund the floor tax without having to wait until the entire processing is removed or ended.

A third change which they make is that they give discretion to the Department to permit any processor on any of these commodities to have 180 instead of 90 days in which to pay the processing tax. These amendments are liberalizing amendments, and about the only chance we have to get this through is to agree to the Senate amendments. If these amendments are not agreed to, there will be very little chance of securing any legislation before adjournment.

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

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 1, strike out lines 3 to 9, inclusive.

Page 1, after line 9, insert:

"That (I) section 16 of the Agricultural Adjustment Act is amended by adding thereto the following new section:

"'(C) Upon the sale or other disposition of any article processed wholly or in chief value from any commodity with respect to which the existing rate of the processing tax is to be increased, or decreased, that on the date such increase, or decrease, first takes effect with respect to the commodity, is held for sale or other disposition (including articles in transit) by any person, and upon the production of any article from a commodity in process on the date on which the rate of the processing tax is to be increased, or decreased, there shall be made a tax adjustment as follows:

"'(1) Whenever the rate of the processing tax on the processing of the commodity generally or for any designated use or uses, or as to any designated product or products thereof for any designated use or uses, or as to any class of products, is decreased, there shall be credited or refunded to such person an amount equivalent to the difference between the rate of the processing tax payable or paid at the time immediately preceding the decrease in rate and the rate of the processing tax which would have been payable with respect to the commodity from which processed if the processing had occurred on such date: *Provided, however,* That no such credit or refund shall be made unless the rate of processing tax immediately preceding said decrease is equal to, or less than, the rate of the processing tax in effect on the date on which any floor-stocks tax was paid prior to the adoption of this amendment.

"'(2) Whenever the rate of the processing tax on the processing of the commodity generally, or for any designated use or uses, or as to any designated product or products thereof for any designated use or uses, or as to any class of products, is increased, there shall be levied, assessed, and collected a tax to be paid by such person equivalent to the difference between the rate of the processing tax payable or paid at the time immediately preceding the increase in rate and the rate of the processing tax which would be payable with respect to the commodity from which processed, if the processing had occurred on such date.

"'(3) Whenever the processing tax is suspended or is to be refunded pursuant to a certification of the Secretary of Agriculture to the Secretary of the Treasury, under section 15 (a) of this act, the provisions of subdivision (1) of subsection (c) of this section shall become applicable.

"'(4) Whenever the Secretary of Agriculture revokes any certification to the Secretary of the Treasury under section 15 (a) of this act, the provisions of subdivision (2) of subsection (c) shall become applicable.

"'(5) The provisions of this amendment shall be effective on and after June 1, 1934.'

"(II) Section 15 (a) of the Agricultural Adjustment Act, as amended, is amended to read as follows:

"'(a) If at any time the Secretary of Agriculture finds, upon investigation and after due notice and opportunity for hearing to interested parties, that any class of products of any commodity is of such low value, considering the quantity of the commodity used for their manufacture, that the imposition of the processing tax would prevent in whole or in large part the use of the commodity in the manufacture of such products and thereby substantially reduce consumption and increase the surplus of the commodity, then the Secretary of Agriculture shall so certify to the Secretary of the Treasury, specifying whether such result will in his judgment most effectively be prevented by a suspension of the imposition of the processing tax or a refund of the tax paid, with respect to such amount of the commodity or any product thereof as is used in the manufacture of such products, and thereafter, as shall be specified in such certification, (1) the imposition of the processing tax shall be suspended with respect to such amount of the commodity as is used in the manufacture of such products, and thereafter, as shall be specified in such certification, (1) the imposition of the processing tax shall be suspended with respect to such amount of the commodity as is used in the manufacture of such products until such time as the Secretary of Agriculture, after further investigation and due notice and opportunity for hearing to interested parties, revokes his certification to the Secretary of the Treasury, or (2) the Secretary of the Treasury shall refund (in accordance with the provisions of, to such persons and in such manner as shall be specified in, such certification) the amount of any tax paid (prior to the date of any revocation by the Secretary of Agriculture of his certification to the Secretary of the Treasury, upon further investigation and after due notice and opportunity for hearing to interested parties) under this title with respect to such amount of the commodity or any product thereof as is used after the date of such certification in the manufacture of such products.'"

Page 2, strike out lines 10 and 11.

Page 2, after line 11, insert:

"SEC. 3. Section 19 (b) of the Agricultural Adjustment Act, as amended, is amended by striking out the word 'ninety' and inserting in lieu thereof the words 'one hundred and eighty.'"

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to insert therein a copy of an interstate compact recently entered into at Concord, N.H.

There was no objection.

THE VULTURES

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a statement by the manager of the Home Owners' Loan Corporation concerning the work of the Corporation.

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

There was no objection.

Mr. WEIDEMAN. Mr. Speaker, for over a year many members of the Michigan congressional delegation have been of the opinion that there were certain officials and party leaders of the Democratic Party in Michigan who were trying to sell the party short and were following a course of conduct that would eventually ruin not only the Democratic Party in Michigan but would put the national administration in disrepute. Alas, this has come to pass.

The national committeeman, Horatio J. Abbott, has deceived our President, lied to our Secretary of the Treasury, and embarrased the rank and file of good Democrats in the State of Michigan. He has accomplished this deception with the aid of the Governor of the State of Michigan, William A. Comstock, and the chairman of the Democratic State central committee, W. Alfred Debo, and George Woods, a convicted felon, and secretary to Horatio J. Abbott. These men are the vultures who have been gnawing at the vitals of the Democratic Party and the Democratic administration for well over a year now. But, Mr. Speaker, while they have been eating at the body of the party they have not destroyed it, as the people of the State of Michigan have arisen as a unit and are driving these vultures away from the body. The honest men in the Democratic Party of Michigan have come to the rescue of the party at the risk of subjecting themselves to the abuse of these malicious slanderers. They will bring the body safely back to life with the aid of those people in Michigan who are desirous of having a clean and honest Government. We want officials who will cooperate with our President, and not subject him and his party to further shame and humiliation.

IT IS HARD TO KILL A VULTURE

In January of 1933 Mr. John F. Hamilton, then leader of the progressive Democrats in the Fourteenth District of Michigan, which district I have the honor to represent in Michigan, warned the Governor of the State of Michigan he was looking to dangerous people—chiselers and connivers—for advice. He said that there was an unholy alliance between the Governor and Isaiah Leebove and his crowd, and that if he did not seek better company he would not only disgrace himself but also the good citizens of the State of Michigan, who had reposed in him a position of trust and confidence. Alas, that has borne fruit, and the Governor was repudiated in the eyes of the voters when they defeated his pet "pork barrel" bond issue project by a vote of over 8 to 1 against the Governor. The fight to cleanse the party of these and other vultures has been carried on steadily since that time. But vultures, like snakes, are hard to kill. It takes more than one blow to down them. But they will be downed this fall by the people of the State of Michigan in their election.

On January 21, 1934, I wrote a letter to the President of the United States, and also to the Postmaster General, James A. Farley, advising them that they had falsely reposed confidence in the Democratic national committeeman, Horatio J. Abbott. Mr. Abbott was deceiving them and also profiteering from his connection with the party.

I said then that I did not think it proper for the national committeeman to acquire contracts for the sale of oil and gasoline to the State of Michigan for his personal gain merely because he was in a position of power in the party. I did not think that the President and Mr. Farley knew that when Mr. Abbott recommended Mr. W. Alfred Debo for appointment as collector of customs for the port of Detroit that Mr. Debo had been dismissed from the Internal Revenue Department, with the following farewell note, on August 15, 1922:

In making a recommendation befitting the result of the investigation pertinent to former Chief Field Deputy W. A. Debo, the writer is of the belief that Mr. Debo, although a person probably capable of holding a position in the Internal Revenue Service, is not a person to be trusted with such position, as shown by his past service.

It is therefore recommended that former Chief Field Deputy W. A. Debo be permanently separated from the Internal Revenue Service of the United States.

I did not think that Mr. Farley as party leader would continue in office as national committeeman for Michigan a person who had sent out a letter to the business men of Michigan stating that the Michigan Congressmen were political accidents and had no standing in Washington. Some of them may have been accidents, but surely this statement cannot go unchallenged in view of the fact that the Michigan delegation in Congress on both sides of the aisle have attempted to do their duty and is composed of high type and honorable men.

HOW THE VULTURES TRIED TO KILL THE PARTY

Mr. Abbott, together with Mr. Debo and Governor Comstock are the party leaders recognized by Mr. Farley, chief dispenser of patronage, and his assistant, Emil Hurja, assistant chief dispenser of patronage, when they want recommendations to fill Federal positions. These men have aided and abetted the official Democratic Patronage Triumvirate of Michigan to retain their power in the national party circles by looking to them for guidance on political appointments in Michigan despite numerous warnings by the Democratic Congressmen from the State of Michigan. They have insisted in keeping these men in power, and have not brought their information to their attention when they should have done so. In spite of repeated warnings of the President they have insisted on doing business with these men who should not have been trusted. As late as June 6, 1934, Mr. Hurja, at a meeting called by Governor Comstock and held in room 146 House Office Building, made it plain to all the Michigan Congressmen there assembled that the national committee would look only to the party representatives, that is, the Democratic Triumvirate, for recommendations for appointment to office in Michigan. This was even after the many unethical and deceitful practices of the trio. Present at this meeting were Governor Comstock; Mr. Abbott; Mr. Debo; Martin Bradley, speaker of the House of Michigan; John Barc; Allen Stebbins, Lieutenant Governor of Michigan, who was not with the Governor's party; and all the Michigan Congressmen. Mr. Hurja then tried to force the Congressmen to adopt a slate of candidates hand-picked by Abbott for major positions in the Federal Government. The Congressmen did not want to talk patronage and refused to do so. This matter of patronage has assumed altogether too important a place in both political parties, and there are many important positions within the Federal Government that should in no manner or means be tied up in any patronage deal. I refer specifically to those positions of trust and experience in the Federal Government, such as the Customs Division and the Internal Revenue Division, where men should be trained for their particular job in those Departments, and should be men who have a high ethical regard for the importance of their work in those Departments. At this same meeting Mr. Hurja forecast the eventual separation of Mr. John F. Hamilton as manager of the Home Owners' Loan Corporation, and told all the Democratic Congressmen from Michigan that they would not be consulted on any matter.

The first dagger in the back of the Democratic Party was the attempt to appoint Debo as collector of customs for the port of Detroit.

The second stab was when Mr. Abbott appointed Mr. George W. Woods secretary to himself and appointed him to a position in the Internal Revenue Department. He later appointed Woods director of foreign and domestic commerce at Detroit, which appointment the Detroit Chamber of Commerce protested. And why was this obnoxious? Only because Abbott appointed to a position of trust a man who was a convicted felon. On January 17, 1928, Mr. Woods was placed on probation in the recorder's court at Detroit and ordered to pay restitution in the sum of $14,300. He was released from probation January 17, 1933, and shortly thereafter Mr. Abbott made him a deputy inspector of internal revenue and also secretary to the national committeeman some months before. This case was file no. 77816. It might be well to remark in passing that Mr. Woods also had pending against him three other warrants and indictments for larceny, false pretenses, and violating the "blue sky" laws, being case nos. 77257, 74477, and 74474.

Mr. Farley had notice of these facts, but fiddled while Democracy in Michigan was being scorched. And while Michigan Congressmen protested these and other conditions in person, the only advice they got was to "be cool, calm, and collected." And how could they, with the fires of public and party resentment already singeing the hairs on their legs?

The third drawing of blood which was weakening the party was when Mr. Abbott sent a Mr. Karnopp into Huron County, Mich., to solicit moneys to be used by Mr. Abbott so he could finance his trips to Washington to secure the appointments of postmasters. Not only one but several solicitations were made from acting postmasters in amounts from $100 to $150 by Karnopp for Abbott and Woods. Some of these people protested, but were helpless in the hands of vultures Wood and Abbott. These matters were brought to the attention of Mr. Farley, but he was discovered "still fiddling." And the fires continued to burn.

The fourth stab was when Mr. Abbott sent his deputy collector of internal revenue, John J. Tighe, to the Packard Motor Co., demanding $50,000 to establish a lobby at Washington, so they could hire two lobbyists at $10,000 per year "to get things done for Michigan that Senators and Congressmen had failed to get done", and also to pay off a $30,000 deficit to the Democratic Party. Just as if the 2 able Senators from Michigan and its 17 Congressmen could not get anything done for Michigan. The statement of Tighe was a bald-faced lie and a slander on the Michigan Senators and Congressmen. Remember this, Mr. Tighe always exhibited his internal-revenue collector's badge, indirectly using duress upon the people he approached, who

were all liable to pay taxes to the Government. Then this matter, along with others, was brought to the attention of the Secretary of the Treasury, Mr. Morgenthau. And did he fiddle? He did not. He sent his investigators to Detroit and brought Mr. Abbott back with him. That same afternoon Mr. Abbott resigned as collector of internal revenue for the State of Michigan. Abbott says it was voluntary. At any rate, he "is no more" in the Treasury Department, but still holds on as national committeeman for Michigan, and is going to sell the virtues of his branch of the Democratic Party to the good citizens of Michigan this fall. I will be in another branch of the party. I want nothing to do with his kind. In passing, we might observe that this John J. Tighe is the same man Mr. Abbott tried to have appointed as Michigan manager of the Home Owners' Loan Corporation. Thanks to Mr. Stevenson, then Chairman, who was not fooled by Abbott, he was not appointed. Had he been appointed, he probably would have ended up with all the homes of the destitute in Michigan. As you will later see, the Comstock-Abbott-Debo combination, later referred to by alphabet as C.A.D., with the help of Mr. Hurja, political wizard, succeeded in disrupting the H.O.L.C. in Michigan, and Mr. Hamilton resigned, having the best record for operation of any Home Owners' Loan office in the United States during the last 3 months, and with the second largest number of loans of any State in the Union.

The fifth cut in the back of the Democratic Party was when Mr. Woods, secretary to Abbott, wrote to the public officials and business men of a little town of Plymouth, Mich., on December 29, 1933, the following:

Partly by political circumstances and partly by political accident, Michigan has bitterly failed at the hands of its elected public servants in obtaining from Washington those benefits which Michigan is entitled to receive, resulting from the 1933 recovery and reconstruction legislation. As a result of this failure on the part of certain of our public servants, Mr. Horatio J. Abbott, national committeeman, seems to have inherited a trust greater than the capacity of any one individual to handle—Mr. Abbott has become the main individual who is trusted at Washington.

I presume there was no more sound small city in Michigan than your home town of Plymouth, but the time has come when this town must be reconstructed, and the amount of benefits which Plymouth might receive out of this effort to benefit the entire State of Michigan seems to me to be quite up to Plymouth itself.

In behalf of the national committeeman, may I wish you all a happy New Year.

Cordially yours,

GEORGE W. WOODS,
Secretary to Mr. Abbott, National Committeeman.

And this from a convicted embezzler, swindler, and cheater of old women. What a great director for the great Democratic Party of Jackson, Jefferson, and Roosevelt.

As a result of this letter, in which the town of Plymouth was told it had to pay for relief benefits of our Government, a check for $372 was sent to Ralph C. Wilson, secretary of the "Michigan recovery committee."

Another member of this so-called "recovery committee" and of the C.A.D. group is former National Committeeman William F. Connolly, who tried to get the Michigan delegation to bolt the Roosevelt standard at the Chicago convention, but who now has "got religion" and is acting as a member of the collection committee. Mr. Connolly is also receiver of the Detroit Bankers, holding company of the First National Bank, Detroit, at a salary of tens of thousands per year, which the poor depositors will pay.

At the meeting of June 6, 1934, Mr. Hurja said that if I did not soft-pedal my attacks upon Mr. Abbott and his faction, in retaliation he would seek the removal of John F. Hamilton as Michigan manager of the Home Owners' Loan Corporation, who is a personal friend of mine since boyhood, and that he, Mr. Hurja, had talked to a person of high power in the Home Owners' Loan Corporation and that Hamilton had better watch his step. The person of high power beyond a doubt was Mr. John H. Fahey, who had ridden on a train with Mr. Hurja just previous to this meeting, and who acknowledged to Mr. Hamilton later that he had talked to Mr. Hurja regarding the Michigan situation. Well, Hurja did not succeed in muzzling me, and Hamilton resigned as Michigan manager with a most successful and enviable record. It looks as if Fahey is trying to destroy the H.O.L.C., from the following statement of Hamilton, which, pursuant to permission of the House, I include in my remarks:

STATEMENT OF JOHN F. HAMILTON, MICHIGAN MANAGER OF H.O.L.C.

In order to clarify the situation arising from my resignation as Michigan State manager, I believe that the people of the State of Michigan should have a complete statement covering everything leading up to my resignation.

Since the inception of the Michigan office last July, it has been necessary to stage a continual fight against inefficiency and lack of cooperation from the Washington office of the Home Owners' Loan Corporation. I, myself, as well as all other State managers, were sent out of Washington last July with a copy of the Home Owners' Loan Act, and little else, for instructions. Each State has its own peculiar problems to deal with in connection with the administration of the Home Owners' Loan Act. The situation in Michigan was the worst in the United States, due to the collapse at just about the same time of a real-estate boom in the cities of Detroit, Pontiac, Flint, and numerous other automobile centers, in conjunction with the complete collapse of the stock market. The national bank holiday was started in Michigan through the action of the Governor of Michigan. As a result, on the opening of our office we were faced with a condition very nearly a riot, through the anxiety of people in distress to get the assistance promised under the Home Loan Act. Our office was the first office in the United States to open, and we closed the first loan in the United States on August 13, 1933. We were operating for over a month without instructions from Washington as to even how to pay a pay roll or pay for the bills incurred in operating the office. Even our printed forms had to be made up by ourselves from sample forms given us.

At the opening of the Michigan office, and for at least a month thereafter, the demand for relief was so great that it was necessary to keep police details at the Detroit office to keep the crowds in order, so that applications could be received. In September of 1933 I could see that with the limited personnel we had been allowed, of less than 100 people, the administration of the act would be only a gesture in proportion to the volume of applicants for assistance. I appeared before the Board at that time and asked for permission to expand the operation in Michigan in accordance with the need in that State, and was refused, being given only authority for a very limited increase in personnel. Toward the end of September 1933 we were faced with a situation in Michigan which threatened the future of the entire administration of the act through the refusal of the Comptroller of the Currency to accept bonds of the Home Owners' Loan Corporation in exchange for mortgages held by the closed national banks in Michigan. The First National Bank, Detroit, alone held more first mortgages than all of the national banks in the United States put together, and we had thousands of applications for assistance from home owners whose mortgages were held by this bank, and the Guardian National Bank of Detroit, as well as other numerous closed banks in Michigan. The bonds of the Home Owners' Loan Corporation were selling in open market at approximately $82, and it was necessary to make a great effort to obtain the consent of all of the mortgagees for the acceptance of the bonds.

We were continually being told that inasmuch as the United States Treasury Department apparently did not think that the bonds of the Home Owners' Loan Corporation were good enough to accept in exchange for mortgages held in closed national banks under their supervision that you could not very well expect them, as private corporations and individuals, to accept the bonds of the Home Owners' Loan Corporation when a division of the Government did not have confidence in the Government's own bonds. I took this matter up with Mr. Webb, Vice Chairman of the Federal Home Loan Bank Board over long-distance telephone, through correspondence, and other personal contact, and all that I could receive was continual assurance that he and the Board were working on this matter. About this time the Comptroller of the Currency went to the extent of issuing a general bulletin to all receivers of closed national banks throughout the United States to the effect that no receiver of any closed national bank could under any circumstances accept bonds of the Home Owners' Loan Corporation. I wrote a letter directly to the President of the United States, and, through the cooperation of the Michigan Congressmen and Judge Arthur Lacy, of Detroit, succeeded in having this letter studied and acted upon, and the Comptroller of the Currency reversed his ruling and agreed to accept bonds. In spite of the fact that if this ruling had been allowed to continue it would have absolutely destroyed the effectiveness of the entire Home Loan Act, I was called to Washington by Mr. Webb, Vice Chairman of the Home Loan Board, severely rebuked, threatened with dismissal, and only through the intervention of Mr. Stevenson, then Chairman of the Board, was I allowed to continue in my position.

Mr. Webb, however, grandstanding after the ruling had been received, came to Detroit for half a day, went over with Mr. Austin, of Baltimore, and me to the receiver of the First National Bank, Detroit, and said that we were now ready to go through with an attempt to refinance all mortgages held by the First National Bank, Detroit, as well as the Guardian National Bank of Detroit. They went far enough to agree to accept any and all mortgages in these institutions, regardless of whether or not the holders of the mortgages were in distress. I protested against this

ruling, inasmuch as it was easily seen that it would be impossible to ever refinance all of the mortgages held by the First National Bank, Detroit, and inclusion of any and all mortgages would mean that many undeserving applicants would be refinanced to the eventual loss of deserving applicants. Starting the 24th of October, we completed the appraisals and made offers on all mortgages on which we had applications from First National Bank, Detroit, and Guardian National Bank of Detroit by December 1, 1933. In spite of that fact, there was no acceptance on the part of the Comptroller of the Currency of any of these offers until February 1934, so that the expenditure of close to $100,000 in appraisal fees and other costs were marked up against the cost of the Home Owners' Loan Corporation in Michigan as of December 31, 1933, without any explanatory provision in the report of the Federal Home Loan Board as of that date.

About November 15, 1933, Mr. Fahey, who had replaced Mr. Stevenson as Chairman of the Federal Home Loan Board, sent a telegram to me, as State manager, asking for the recommendation of a sufficient personnel to close all applications in the State of Michigan within 90 days. This was sent in spite of the fact that he knew that we had at that time over 80,000 applications and had closed approximately 1,200 loans. I came to Washington and in an interview with Mr. Webb stated that the Chairman's request was asinine, and that I would submit a list of personnel that would be capable of closing an average of 200 loans per day in the State of Michigan, and would do so by March 1, 1934. At the same time the telegram from the Chairman arrived a bulletin from the general manager arrived saying that from that time forward no personnel could be employed in any capacity until a letter of application with letters of endorsement had been received, sent to Washington, and formally approved by the Federal Home Loan Board for employment, regardless of how minor the position might be. I informed Mr. Webb that if we were to attempt to increase our production, secure an additional 700 people necessary, hire them, train them, secure office space, equipment, and other things necessary in a short period of time, that it certainly was not going to be possible to wait until we had secured these applications, sent them to Washington, and secured the Board's approval, as our experience had been that it took from 3 to 6 weeks to receive an answer from the Board on any request of this type. I stated, however, that I felt that I would be able to secure people for these positions who would be competent and who would be willing to work without salary with the Corporation until their approval was secured, and received his authorization before three witnesses to go back to Washington, go to work, and get organized as rapidly as possible. In accordance with this order the personnel in Michigan was increased over 500 employees during December and in the early part of January. Eleven new branch offices were opened, equipment and space secured, and production was jumped to such an extent that more loans were closed in January than in the previous 4½ months, and this production has been increased constantly ever since.

About December 24, 1933, an order was received from the Washington office that after January we were to cease paying our own pay rolls, and forward all pay rolls to Washington for payment. The practice previously had been to pay our own pay rolls and forward the pay rolls to Washington afterward for audit, and all pay rolls paid by us were forwarded to Washington 3 days after payment, so that Washington always had notice of the number of people upon the pay rolls and the size of that pay roll. The pay roll from January 1 to January 15 was sent to Washington and was paid as sent in without question. The pay roll due January 31 was not paid, and there was no pay roll paid in Michigan until February 28. At that time approximately half of the pay roll was paid, the balance being held up because of the silly technicality that there was no formal approval of this personnel in the minutes of the Board. All expense vouchers of repair inspectors and others throughout the State, who were forced to be constantly on the outside in the midst of a bitter winter, were held up on the same technicality by Mr. Fahey's direct orders. In spite of the fact that we were able to show to the assistant general manager that a formal application for employment and letters of endorsement for all of these people hired since the order of November 18, 1933, had been sent to Washington, we were forced to again secure these letters and transport them to Washington, and it was not until the middle of March that a complete pay roll was paid in Michigan. In spite of that fact the personnel in the State of Michigan were loyal enough to the interests of the President and the welfare of their State, that there was not a single resignation during this period, in spite of the fact that these Government employees, in numerous occasions, were unable to feed their families while Mr. Fahey in Washington played with silly red tape. I personally, together with Mr. Leo Kuhlman and Mr. Frank Fleming, borrowed on our personal credit to the limit and went to the extent of borrowing $1,500 on a note from the Industrial Morris Plan Bank of Detroit in order to loan to the employees of the United States Government who were destitute. All district managers were faced with the same situation, and were all doing the same thing and pledging their personal credit so that these employees of the Government could eat.

In February of 1934 a new general manager of the Corporation was appointed. There was an immediate change of policy in the Corporation, and as a result confusion was caused and it was almost impossible to intelligently plan a production set-up resulting from conflicting orders caused by Chairman Fahey continually contradicting orders given by other officials in Washington, thus handicapping both the State officers and the departments in Washington. In spite of this, however, our production increased greatly each month, loans closed in February being practically double of January, and loans closed in March again showing a material increase. The organization as then set up was functioning smoothly and was just beginning to show the results of the 3 months' organization. Mr. McNeill, general manager, then decided that a standard form of organization was to be set up through the United States, and after considerable deliberation Michigan was selected as the first State to be set up under the new plan. I protested vigorously against the setting up of any plan in which I had not been given a chance to be heard on, because of the confusion that would necessarily result in a smoothly running organization which was just beginning to show results; and as a result of protesting so vigorously I was called to Washington and spent 1 complete week going over the entire set-up with the general manager and became convinced that, although this set-up would result in a considerable amount of work, that it was entirely practical and feasible and would ultimately result in considerably increased production. A definite agreement was reached between Mr. McNeill, the assistant general manager for our district, and myself, and was formally approved by the Federal Home Loan Board. In accordance with this agreement, on April 1 we started to revise the set-up in Michigan; and since April 1 have opened 9 new branch offices in Detroit, transferred approximately 200 employees from our then existing offices in the Barium Tower in Detroit, transferred approximately 250 additional employees from the pay roll of the Home Owners' Loan Corporation to the pay roll of Charles W. Burton, an attorney in Detroit, opened up complete separate disbursing and transmittal units at Battle Creek, Grand Rapids, and Saginaw, Mich., so that each of these districts completes a loan and forwards these completed loans directly to Washington as a separate unit; transferred the entire office of St. Ignace to Marquette, Mich. In spite of all these changes, production was increased to such an extent that a total of approximately 4,600 loans were closed in April and 7,700 in May, Michigan thereby leading in each of these months the entire United States in volume of business. In spite of increasing this production, the cost of the Michigan operation was reduced over $5 per loan during the month of April and was again reduced substantially during the month of May because of economy in operation and reduction in personnel. The personnel was reduced to where it now consists of approximately 935 people.

These changes were made and reductions secured despite the fact that the State of Michigan has in existence more land contracts than all of the rest of the United States put together, and that this necessitates more work in legal search and preparation than any other operation of this type in use in the United States, due to the fact that under the laws of Michigan a conveyance by land contract need not be registered, and all of these contracts necessitated personal contact. In many cases of conveyance by land contract there were numerous assignees who had to be contacted so that the exact status of the condition of the property could be ascertained and the Government of the United States would be properly protected. Furthermore, as a result of the real-estate boom in Detroit and Michigan and the overselling of homes at prices far over their value, on approximately 75 percent of the applications the balances due were considerably more than any appraisal would show. As a result it was necessary to make adjustments, and all of these adjustments necessitated personal contacts. Every effort was made to bring these facts to the attention of the Board, and we were not even accorded the opportunity of a hearing. However, the record of the Michigan office is as follows:

As of the date of my resignation, June 16, 1934, we were second in total number and volume of loans closed in the United States, with an average of $2,800, which shows that we had secured the proper adjustments and were therefore complying with the spirit of the Home Loan Act, as intended by the Congress of the United States, and assisting the small home owners.

We had placed about one-third of all of the money lent for repairs in the United States, due to the fact that we had built up about the only complete repair modernization unit in any State operation.

In spite of the fact that the Board was continually hampering us in the matter of personnel, I insisted on placing a complete accounting and disbursing unit, so that we were in a position to show the disposition of every dollar expended in Michigan. This was done on our own responsibility, and we have been carrying out the intentions of the act by collecting at the time of closing the loans in cash as much as possible of the fees and necessary cost of completing a loan, to the extent that our monthly collections have averaged close to $100,000, which money can be used for the retirement of the bonds of the Corporation. We have the largest amount of cash fees collected of any State in the United States. In addition to the approximately 28,000 loans closed there are approximately 32,000 loans in the State that have reached the closing stage, and there should be closed, if the operation is properly administered from this time on, at least 1,600 loans per week.

However, in the administration of this act there have been continuous cases of rulings of the Board which were beyond any doubt in my mind both discriminatory against the home owners of the State of Michigan and a matter of poor public policy and not in spirit with the Home Loan Act. As a result of these rulings, I have constantly protested and have had considerable and continuous differences of opinion with the Board for the past 3 months. First, I have followed a policy in Michigan ever since

last July of completing an appraisal and making a final adjustment, and insisting that the mortgagee release any and all claims which he or they might have against our applicant at the time of closing the loan. I felt that this was necessary in order to give the distressed home owner an opportunity of starting with a clean slate, without an obligation hanging over his head which might place him in exactly the same position from which we were seeking to relieve him, and also have a debt hanging over his head which he would be unable to pay. I have had considerable pressure from institutions in the State of Michigan to allow second mortgages for the difference between the amounts we were able to loan and the full balance of these mortgages. I have refused to permit the second mortgages, and an appeal was made over my head directly to the Home Loan Board, and I was ordered to permit the use of second mortgages in Michigan, thus resulting in the home owner being put from the frying pan into the fire.

The Metropolitan Life Insurance Co. has approximately 15,000 mortgages in Wayne County alone, 12,000 of which are in default of some sort. We have over approximately 4,000 applications, and from July of last year have been continually attempting to receive the acceptance upon the part of the Metropolitan Life Insurance Co. for bonds in exchange for their mortgages. They have continuously refused to do this, and in hundreds of cases where our applicant was purchasing on land contract and we were able to secure acceptance of the land-contract owner, but where the Metropolitan Life Insurance Co. held the mortgage the company still refused to accept the bonds, and thus applicants suffered the loss of their homes. In March 1934 I was asked by Mr. Malotte, the fiscal representative of the Metropolitan Life Insurance Co. in Detroit, to go to Washington with him to contact Mr. Eckers, president of the Metropolitan Life Insurance Co., and Mr. Norton, comptroller, because he felt that I might be able to present the Michigan picture in such a way that they might relent and accept bonds. Mr. Fahey personally refused to allow me to go and sent instead a man from Washington who was formerly employed by one of the large life-insurance companies, and as a result nothing was accomplished. Even after the guaranty of the bonds, the Metropolitan Life Insurance Co. has refused to accept, except in isolated cases.

In March of 1934 we were ordered to cease appraisals in Michigan. After protesting vigorously, I was told that this order was issued because over $4,000,000,000 worth of applications for loans had been filed, and that it was going to be impossible to complete and close loans on applications then on record. I protested against the stopping of our progress, however, due to the fact that I felt that we should work at topmost speed until all of the funds had been expended—the faster the loans were being placed, the faster the distressed home owner would be taken out of jeopardy and would be relieved. After a few days an order was given authorizing us to proceed with appraisals on loans held by closed institutions in Michigan only. I protested against this, as there are a number of banks in Michigan which are still open, but which are on the ragged edge of closing, and should, I feel, be given assistance ahead of closed banks in order that they might be kept from closing, rather than rushing loans to closed institutions who are already in liquidation. Not only that but this was discrimination against the distressed home owner whose mortgage was held by a private institution or individuals. I was again overruled. The Home Owners' Loan Corporation, under Mr. Fahey's direction, instituted a so-called "wholesale loaning operation" in the Cleveland Trust Co. at Cleveland, Ohio, an open institution. A handful of employees of the Corporation were placed in that institution, all others being employees of the Cleveland Trust Co., and thousands of mortgages were bailed out of that institution to the extent that now when a shortage of bonds is threatened the distressed home owner may lose his home because of the bailing-out operation in an open bank. I was instructed that I should make every effort to have the operation upon which we were engaged with the First National Bank, Detroit, handled in the same way, and have the bank pay for the employees. I felt that the Corporation's interests were distinctly separate and should be protected, and that any action of this type might lead to the acceptance of mortgages by people not under the control of the Corporation, but rather under the control of the institution. Furthermore, I felt that as the First National Bank, Detroit, was a closed bank, any cost incurred in an operation of this sort was at the expense of the depositor whom we were supposed to be helping, and I refused to do so. A man was sent from Washington, and an operation was engineered over my head and over my protest of putting this plan into effect. This entire plan is a deception and gives a false impression to the depositors of these two banks, as all mortgages being refinanced are the property of the Reconstruction Finance Corporation, and these bonds are only converted to the Reconstruction Finance Corporation, and are not being used to pay off the depositors; so, therefore, the depositors are paying the costs of an operation which does not benefit them.

I have, since last July, been fighting the efforts of crooks in Detroit to take advantage of the Home Owners' Loan Corporation Act. I have submitted numerous affidavits covering violations of the act to both the United States district attorney's office at Detroit, and to the legal department of the Home Owners' Loan Corporation in Washington. In spite of the fact there has only been one case of a prosecution in the city of Detroit today, and the attorney who came from Washington and instituted this prosecution and secured the only action which we have had was recalled immediately to Washington because what he did was contrary to their direct orders. I have vigorously protested the procrastination in the prosecution of these people, and apparently there is no chance for any action.

We have been continually hampered by the inability to secure needed supplies or rulings from Washington, and as a concrete example of this, upon my coming to Washington to resign I investigated one instance. The mortgagee's consent to obtain bonds is the agreement necessary for signature at the time of making a settlement, and unless a supply of these forms are on hand the entire operation would have to cease. A requisition was sent to Washington over 6 weeks ago, and in spite of several telegrams no action was received. A telegram was finally received from the stock department on June 9 saying that the form was up for revision and could not be released until approved. We had reached the point where it would be necessary to cease operation if this was not available. I was informed by the stock room that this form had been presented to the Chairman to be approved and was on his desk for 5 weeks without action. This is a concrete example of how the Home Loan Act is hampered through the Chairman's continual insistence upon interfering in even the smallest matter of details. It is impossible to secure permission to purchase any supplies over $25 without the formal approval of the Federal Home Loan Board, which brings us to the spectacle of a $2,000,000,000 Corporation being administered by a board of directors having the responsibility of administering the Federal home-loan banks, the Home Owners' Loan Corporation, and the Federal savings and loan societies and also the new modernization program, and these five men being placed in a position by the Chairman's insistence, of having to waste their time passing upon minor matters of purchases throughout hundreds of offices in the United States, and the selection of stenographers and minor clerks, when these details under proper organization would be delegated to the official with authority to handle them. The general manager of the Corporation was placed in such a position that he was not able to even authorize the purchase of more than $25 in supplies or the employment of a single clerk in the service.

The final and conclusive evidence of the confusion caused by conflicting orders and changes of the previous orders by the Chairman was best shown by the fact that after approving the principle of the establishment of separate individual autonomous offices, such as we have completed in Michigan, throughout the United States, and formal approval of the establishment of these autonomous offices at Milwaukee, in the State of Ohio, at Oklahoma City, and numerous other places, and authorizing the calling of a meeting at Chicago, Ill., to which State managers, State counsel, and all district managers for all of the Middle Western States were invited, that on the night of the first day of the meeting the general manager was notified that the Chairman had again changed his mind and that he should not give the instructions for which this meeting had been called. About 2 weeks later a general bulletin was sent out to all States in which these autonomous offices were in progress of being established, ordering the halting of these immediately. This order was received in Michigan just as we had completed the establishment of the last autonomous office, and therefore did not affect us, but caused tremendous confusion in numerous other States.

I was instructed that it would be necessary to reduce the personnel in Michigan to 800 people or less, regardless of the effect upon the loan production in the State. I protested vigorously against this. It was my opinion that the Home Owners' Loan Corporation Act was passed by the Congress to relieve distressed home owners and that this should be done as rapidly as possible.

On June 6 a meeting was held in Washington, and those present included the entire Michigan Democratic delegation of Congressmen; Governor Comstock, of Michigan; Horatio Abbott, national committeeman of Michigan; Emil Hurja, assistant to the chairman of the Democratic National Committee; Alfred Debo, State central committee chairman; Martin Bradley, speaker of the House of Representatives of Michigan; and John Barc, Democratic politician from Detroit. Congressman WEIDEMAN had been the aggressor in charges which had resulted in the removal of Horatio Abbott as collector of internal revenue at Detroit, Mich., by the Secretary of the Treasury, Mr. Morganthau, as well as the removal of two of his assistants. CARL WEIDEMAN has been a personal friend of mine since boyhood, and in this meeting Mr. Hurja threatened WEIDEMAN that unless he softpedaled his attacks upon the national committeeman, Abbott, that in retaliation he would see to it that I, as his friend, was removed as State manager from Michigan. I did not pay much attention to this threat when it was reported to me, as I was too busy in reorganization which had started in the State offices, but when, upon my return to Detroit from Marquette on June 8, I found that, on instructions from Washington, employees in Michigan were being contacted by people sent from Washington and asked about their political contributions, their political preferences, and other matters, I became interested and started to investigate. I then found that an appointment of one Luther D. Hoffman as regional modernization director for the States of Michigan and Indiana had been secured through the intercession of Mr. Comstock and Mr. Tarsney, State counsel for Michigan, a personal friend of Mr. Comstock. On June 8, I also received notice of the appointment of Mr. Frank Eurich, Jr., as State modernization director, at a salary of $4,500 per year, from Washington. This salary was higher than anyone in the State of Michigan was receiving, with the exception of myself and the general State counsel, and even exceeded that of the district State manager and the chief State appraiser. I immediately dispatched a telegram to Chairman Fahey protesting against the appointment of anyone in the State pay roll over my head at such a salary, and

asked permission to come to Washington. In reply I received a telegram from Mr. Webb, Vice Chairman of the Board, stating that Mr. Fahey was out of the city and that I should write fully covering my problem. In answer I dictated a complete letter of protest to the Chairman, as follows:

JUNE 11, 1934.

Hon. JOHN H. FAHEY,
Chairman Federal Home Loan Board, Washington, D.C.

HONORABLE SIR: I have just dispatched a telegram to yourself requesting permission to come to Washington to discuss matters of policy in Michigan regarding the Home Owners' Loan Corporation.

I have never had an opportunity to talk to you personally in spite of the fact that I have been employed in the Corporation for approximately 1 year. I have been forced to judge your policies and read between the lines of your letters and have endeavored at all times to conduct this office in accordance with your wishes. I have felt that you were honestly sincere in endeavoring to keep politics as much as possible out of the operations of the Home Owners' Loan Corporation.

At the time of my appointment as State manager in July of last year you, beyond a doubt, know that I was instructed directly in frfont of the meeting of the Board by the Chairman of the Board at that time to see the Michigan Congressmen and consult them, as well as the national committeeman in Michigan in regard to appointments. However, I informed each of the Congressmen and the national committeeman in the State of Michigan that I would absolutely refuse to entertain any recommendations from them unless I felt that the man recommended was qualified for the position he sought. In addition to that, I insisted in August of last year, in the selection of the appraisers for the State of Michigan, that I be allowed to select members of the Michigan Real Estate Association and associated real-estate boards regardless of their politics. I also insisted that in the selection of attorneys that any attorney recommended be passed upon by the bar association in his community.

I have had one continual fight in this State against various politicians endeavoring to secure preference in personnel and in the handling of loans. I have absolutely refused from the day of opening this office to allow any Congressman or other public official to even suggest to us that anyone's loan be given preference.

The situation was so bad in the State of Michigan that at the time of our entering the field we were flooded with a volume of applications which beyond any doubt we would never be able to close, and if this was the situation and we allowed the slightest impression of political influence being able to secure preferred treatment of loans, it would have been the worst thing that could have happened to the Home Owners' Loan Corporation here.

I personally have refused to play politics with human misery. However, I have had men appointed over my head through political manipulations in this State three different times, and in each of these instances things have been done that I have not approved of and for which eventually I have had to bear the blame.

I have offended practically every politician in the State of Michigan in attempting to keep this act clean, and have been informed that 1 week ago Mr. Hurja, assistant to Mr. Farley, Democratic national chairman, made the statement that there would be a new State manager in Michigan in the near future.

I have been up in the State for the last several weeks almost continuously reorganizing the State offices where necessary, and upon my return to Detroit this morning I have been faced with a telegram stating that another man had been appointed over my head as State reconditioning supervisor, and the rejection of a faithful employee in another case who is entitled to a promotion asked.

It appears to me that there may be some truth in Mr. Hurja's statement, and it may be that an effort is being made to make conditions such in Michigan that I would resign.

I am personally willing to stand upon my record in a difficult task in this State, and if desirable to you and if my continuance as State manager is embarrassing to you, I am hereby tendering my resignation, effective immediately.

Very truly yours,

HOME OWNERS' LOAN CORPORATION,
JOHN F. HAMILTON,
Michigan State Manager.

And followed this up by taking a train Monday night and going to Washington. I called the Chairman's office and asked for an appointment with him, and was told by Mr. Loomis, his assistant, that my letter was unnecessary and that there was no truth in Hurja's statement, and that the Chairman would be glad to see me as soon as possible, but that he was busy in Congress on the National Housing Act, and I would have to wait some time, but that he himself would see me. I met with him and Mr. Donald McNeill, national modernization director, next day, and was informed that a letter had been sent by Mr. Hoffman stating that Mr. Eurich had been selected by me and met with my approval as well as his own. This was an absolute falsehood, as I had never met Mr. Eurich until introduced to him Monday morning, June 11. I immediately protested against the selection of someone from outside the organization when there were numerous qualified technical men within the organization better fitted to the position and entitled to advancement. I was told that this matter would be taken up with Mr. Fahey. I then talked with Mr. Newton, member of the Board, and was told that at the time the appointment of Mr. Eurich was up before the Board he asked personally whether or not this appointment met with my approval and was told that it did, which was a lie. I then went to Mr. WEIDEMAN'S office and suggested to Mr. WEIDEMAN that he call Mr. Hurja and ask Mr. Hurja just what he meant by his remark at the meeting. He did so, and I listened on an extension telephone, and Mr. Hurja said that beyond doubt I had an excellent record in Michigan, but that unless Mr. WEIDEMAN soft-pedaled his complaints, and unless I refused to have anything to do with Judge Arthur Lacy, Democratic candidate for Governor, and opponent of Governor Comstock, that he had been assured that I would be removed from my position. I did not have a meeting with Chairman Fahey until 2:30 Friday afternoon, at which time, with Mr. Webb present, the Chairman acknowledged that he had talked with Mr. Hurja on a train trip from Chicago and asked me whether I was taking an active part in the campaign of Judge Lacy. I have not taken any part and have never made any statement in favor of Judge Arthur Lacy up to this time, and have not permitted any activities, to my knowledge, in the organization. He then began to go over numerous disputes of the past and I proceeded to bring up the various questions of policy which I believed were wrong, and we were unable to reach any agreement. He finally said I had better go back to Michigan, go to work, and obey the orders of the Board. I stated that I did not intend to be a rubber stamp for any organization, and that my acquiescence in orders and policies which were contrary to the best interests of the home owners of Michigan would make me an accessory to the procedure, and I thereupon tendered my resignation, effective immediately.

Mr. Fahey stated that he thought there was collusion in the letting of repair contracts to the brother of the Detroit district manager, Mr. Leo Kuhlman, and that he had evidence in a letter from Mr. Hoffman, mentioned above (and a personal friend of Mr. Comstock, said Hoffman was to be awarded the Wahjahmegua $1,500,000 building propect under the P.W.A. program which was rejected by a vote of the people of Michigan recently), to the effect that Kuhlman-Rhode, with which a brother of Leo Kuhlman, Detroit manager, was connected, had secured 107 repair contracts in the last 2 weeks. I told him that I did not have the facts but that I knew that his was a base lie. Upon a telegram from the Detroit office I secured statistics and forwarded the following telegram to the Chairman:

"As an example of kind of false information you will always receive from liars making underhand investigation, in place of Kuhlman-Rhode Co. receiving 107 repair contracts in last 2 weeks facts are follows: Over 22,000 repair contracts have been let in Detroit since last July; over 14,000 have been authorized to begin work as loans were closed; Kuhlman-Rhode have received 107 contracts since last July as low bidder, with only 70 authorized go-aheads.

"JOHN HAMILTON."

Inasmuch as our repair contracts only average about $150 per job, the gross amount of all these contracts over a year's period represents less than the cost of one moderate home-building job.

I also stated to Mr. Fahey that it was very plain to see that he was attempting to bring pressure to bear upon me for political purposes and that without any doubt if I was in favor of the Comstock group this pressure would not be brought. I feel that the following series of events in a political way had a great deal of bearing upon these developments.

At the time of my appointment on July 5, 1933, upon reaching Washington I found that a district manager at St. Ignace had already been selected through the manipulation of Horatio Abbott, Democratic national committeeman, and Prentiss Brown, Congressman, and that the office site at St. Ignace had already been selected. The appointment of George Schermerhorn, at Battle Creek, was also dictated by Horatio Abbott, and about the middle of August the Board again appointed Carole Sweet manager at Grand Rapids, through the intervention of Horatio Abbott. I had been instructed to come back to Michigan and accept the recommendations of the Democratic Congressmen and the national committee, but I had insisted from the start that the man recommended be qualified for the position he sought. About the middle of August I insisted that the appraisers in the State of Michigan be selected from the members of the Michigan Real Estate Association and associated real-estate boards in Michigan, regardless of their political affiliations, and secured the consent of the Democratic Congressmen to this vital matter of policy. They also consented to the selection of the attorneys in the State from among the members of the various bar associations in the State regardless of politics.

About the middle of September I found that the location of the office at St. Ignace was not desirable because of the fact that 90 percent of the applications for assistance which we were receiving in the Upper Peninsula of Michigan were west of the city of Manistique, Mich., and were in the western part of Michigan. I recommended the establishment of an office at Marquette and was overruled by the Board because of the objection of Congressman Prentiss Brown and Horatio Abbott, to the removal of this office out of Congressman BROWN'S home city and congressional district. The office was located in the First National Bank Building at St. Ignace, in which PRENTISS BROWN has an office, and of which bank he is a member of the board of directors. I did not think it was ethical to have such close contact of the Home Owners' Loan Corporation and the Congressman. Mr. Fahey, Chairman of the Board, was a member of the Board at that time and apparently acquiesced in this ruling, due to the fact that Mr. BROWN was a member of the Banking and Currency Committee of the House of Representatives that had charge of the Home Owners' Loan Corporation legislation.

When in Washington in March I consulted with the general manager over the recommended changes and procedure in Michigan, and I again recommended the removal from St. Ignace to Marquette and obtained his consent. When we attempted to remove the office a protest was immediately made by PRENTISS BROWN to Chairman Fahey, and I was called by PRENTISS BROWN from Washington and told that he had been informed by Chairman Fahey that he would order me to hold up this removal for some time. This conversation was taken down by my stenographer on an extension telephone. I, however, immediately ordered Mr. Shanks, my representative from Detroit at that office, to secure a moving van and place the entire equipment in the office in the van that afternoon, and we succeeded in removing the office to Marquette the next day, and as a result the protest was too late. Because of the political maneuvering in the Upper Peninsula we had closed, until the office was moved to Marquette, less than 250 loans in that district, and we have closed more than that in the past 3 weeks. I transferred nine employees from the Detroit office to that office, and we are now giving the home owners in that part of the State a square deal. At Battle Creek, Mich., I discovered about the middle of February that loans were being made in a very inefficient and superficial manner, and upon a thorough investigation of the office found that this was caused by incompetence and carelessness of political appointees recommended in that office by Horatio Abbott, Governor Comstock, and every politician in that district. I accepted the resignation of the manager on March 28 and on April 1 discharged 32 employees in that district, and since then have discharged employees there until over 70 have been replaced. These discharges included a Democratic county chairman, a member of the Democratic State central committee, personal friends of Horatio Abbott, Governor Comstock, and practically every other politician in that district. In addition I found that an appraiser at St. Ignace, Mich., a Democratic county chairman at Mackinac County, had sent out letters soliciting contributions for the committee of C.W.A. workers in that district, and removed him, thus again antagonizing Congressman BROWN. As a result of these discharges I was told by certain people that pressure was going to be brought upon me at Washington.

I feel that beyond a doubt the fact that Emil Hurja has a brother upon the State pay roll and another brother as a postmaster recommended by Horatio Abbott, together with the various discharges of influential politicians throughout the State, in order to secure the best results in the Home Owners' Loan Corporation operation for the home owners of Michigan, and the fact that Congressman WEIDEMAN, my friend, was the instigator of the attack upon the policies of Horatio Abbott as internal-revenue collector and the sale of postmasterships in Michigan, which has been whitewashed by Mr. Hurja, was directly behind the pressure brought to bear upon Mr. Fahey and was beyond a doubt responsible for efforts being made to find some excuse to discharge me.

I therefore feel that rather than give this group of politicians, playing politics with the Home Owners' Loan Act, an opportunity to frame me that I should resign and in the best interests of the Home Owners' Loan Act and of President Roosevelt give these matters publicity, thereby possibly bringing the political maneuvering of the Chairman of the Home Loan Board and of Mr. Hurja to the personal attention of President Roosevelt and possibly correct a vicious political situation in the State of Michigan. I feel that it is about time that the true activities of Mr. Fahey, who has been grandstanding as a nonpolitical head of the Home Owners' Loan Corporation, although a member of the Board at the time when the political appointments were being made and acquiescing in them without protest, should be shown in their true light, and I feel that the best interests of the Home Owners' Loan Corporation and of this great act would be best served by the immediate removal of Mr. Fahey and Mr. Webb, Chairman and Vice Chairman, respectively, of the Board.

To substantiate my own statements as to the record of the Michigan office, William H. McNeal, who resigned as general manager of the Home Owners' Loan Corporation for the United States, 1 week ago gave the following statement to a representative of the Detroit Free Press commenting upon my resignation.

"I, of course, am not concerned with Mr. John F. Hamilton's resignation as State manager of Michigan. However, while I was general manager of the Corporation, I received 100 percent cooperation from Mr. Hamilton in everything I suggested for the best interests of the Corporation and distressed home owners. During the past 3 months he not only increased the production of his office, but cut approximately $300,000 per annum from the cost of operating his State organization. If no less able man than John Hamilton is selected as his successor and if the plan and policies now established in Michigan are continued, it is my opinion that Michigan will get its full share of relief to which it is entitled under the act.

"WILLIAM H. MCNEAL."

Mr. William H. McNeal has a Nation-wide reputation as a mortgage man, having been associated with some of the greatest mortgage institutions in the United States, and was selected by the Home Loan Board to clean up the mess in the State of Illinois, resulting from the Board's neglect. He was then made general manager of the Corporation. I never saw Mr. McNeal in my life until March 25 in Washington, and I am proud of the endorsement of a man of his caliber. If I have nothing else to show for 11 months of killing work, I know that I have done well in an almost impossible task and the approval of Mr. McNeal is reward enough for me.

JOHN F. HAMILTON.

Mr. WEIDEMAN. Mr. Speaker, the official records of the Home Owners' Loan Corporation as of June 1, 1934, show the following figures:

Ohio, loans closed, 32,547; amount, $101,117,600.
Michigan, loans closed, 25,936; amount, $73,714,535.
New York, loans closed, 18,184; amount, $99,560,934.
United States, loans closed, 274,980; amount, $822,829,888.

These figures show that as of June 1, 1934, over 30 percent of all the loans in the country were closed in only 3 States and that Michigan had very nearly 10 percent of all the loans in the country closed, so apparently the efficiency and record of a great many other States would bear close examination, and it appears that merit does not rule in the Home Owners' Loan Corporation, according to Mr. Fahey's ideas.

Last Saturday, together with two other Michigan Congressmen, I went down to the Standard Oil Building office of the H.O.L.C. and saw thousands of docket files containing the complete records of individual loans, abstracts, and records of properties stacked along corridors and in rooms. In room 529 there were stacks of complete files regarding properties under consideration 7 feet high, five tiers deep, all around the room, in such a manner that it would be virtually impossible to locate or find any file necessary without spending days to search through this pile. These are the complete files and only evidence of the Government's investment in mortgages of home owners. No wonder mortgagees cannot get their bonds from the Government and their loans closed. No wonder there are weeks of delay in closing deals at Washington. All because Mr. Fahey is pennywise and pound foolish and will not buy filing cabinets for these important Government documents. Recently the Washington police department found three of these files on the streets, lost while being moved from one office to another in a loose bundle of files put into a truck.

And, lastly, the people of Michigan have lost confidence in the C.A.D. combination—Comstock-Abbott-Debo—because of the number of felons in the State prisons being released by the hundreds.

From January to October 1933, 1,900 persons were paroled from Michigan prisons; among them murderers, kidnapers, robbers, and rapists. Our Governor even released young Metzger, because he was the son of a high-ranking official in his official party, after the sturdy boy of 23 years, and of mean disposition and reputation, had assaulted an aged man of 67 years and had put him in the hospital for 8 days, where he was in danger of losing his eyesight. This boy was not paroled but pardoned by the Governor without having served one minute in jail, after being fined $200 and sentenced to 60 days in jail. The people of Michigan are law-abiding people and do not like these practices.

To close, let me cite the case of Joseph Lightsy, colored, another convict paroled by State Chairman Debo, who is also pardon and parole commissioner for Michigan, and Governor Comstock. This is his record at the time of parole last summer:

October 25, 1927.—Arrested for carrying concealed weapons. Dismissed by police superintendent.

March 28, 1930.—Arrested and tried for statutory crime on young girl. Acquitted.

May 15, 1930.—Arrested for investigation after he had answered an advertisement for a male companion. Stated at time he "got a thrill from dating white women."

August 14, 1931.—Arrested for investigation.

September 15, 1931.—Arrested for investigation.

November 5, 1931.—Arrested for larceny of an automobile. Was shot twice when officers tried to arrest him. Later tried and convicted and sentenced to 2 to 5 years in Jackson Prison. Later paroled. Parole would have expired last week.

August 29, 1933.—Arrested as a purse snatcher.

October 14, 1933.—Arrested on a statutory crime; released when victim refused to prosecute on account of nature of charge.

May 15, 1934.—Arrested for investigation of a statutory crime; later charged with carrying concealed weapons. Was at liberty awaiting trial on bond of $1,000 until his arrest.

May 24, 1934.—While on bond murdered Martha Kangas, 19-year-old housemaid while attempting rape.

June 3, 1934.—Robbed and murdered William Kraft, a beer-garden proprietor. In addition, Lightsy was identified for assault, robbery, and attempted rape by five other white women in the city of Detroit.

These above-enumerated facts show why the progressive Democrats in Michigan will clean out their own party in Michigan, so it can again be represented in the Union of the United States of America with head erect, with conscientious and clean officials at the head of its State and party. The Old Guard will be no more, and progressive Democracy of Roosevelt will march on to victory.

THE FAMILY NEPOTISM OF THE CLIQUE IN CONTROL

Emil Hurja, assistant patronage dispenser for Mr. Farley, has had his brother appointed postmaster at Crystal Falls, Mich., with the recommendation of Abbott; and another brother on the pay roll of the State. This may be the reason that Mr. Hurja thinks Mr. Abbott and Mr. Comstock should be the ones to be trusted with the fate of Democracy in Michigan.

With so much unemployment you would think that if there are jobs to be given out these public-spirited citizens would pass out some of the patronage to the working Democrats who have large families to support and pass the benefits of the new deal around a bit.

I have just been informed that Mr. Hurja has put me on the blacklist for future favors. That is too bad; I will remain in the same status that I was before. I am not so sure that I want to be classed with the men that he does business with. This condition has existed not only with me but with other Congressmen who have been lulled to sleep by his sweet voice.

The entire State government of Michigan is filled up with relatives and personal friends of the men in power. How many these may be it is impossible to say at this moment, but investigation beyond a doubt would show a startling situation.

The only consideration the Fourteenth District of Michigan received was on the occasion of Mr. Louis Rabaut being appointed census director on the recommendation of Horatio Abbott. This was done so Rabaut could appoint the under positions, so he could build an organization to defeat me in the contest for Representative in Congress this fall. Mr. Rabaut is now in the contest as the choice of Messrs. Comstock, Abbott, Debo, and George W. Woods, the convicted swindler of old women and secretary to Mr. Abbott.

We will let the people of Michigan decide whether they want Mr. Rabaut as their Congressman, representing and transplanting to our National Halls of Congress Comstockism, Deboism, and Abbottism and nepotism, favoritism, and bossism, or whether they want to reelect a supporter of the President of the United States.

The smaller vultures I have not mentioned. If I did I would have to write a book. These vultures are of the type that cannot work in the light of day, and for that reason I am attempting to turn the searchlight of publicity upon them in order that the people of the State of Michigan may see these men in their true status.

WHEELER-HOWARD BILL

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the work of the Post Office Committee for this session.

The SPEAKER. The gentleman has that permission.

Mr. MEAD. Mr. Speaker, the original Wheeler-Howard bill (H.R. 7902) contained a provision which excluded New York State Indians from the application of the legislation. The amended bill, which comes before us from the Committee on Indian Affairs of the House, has stricken that amendment from the bill, and, therefore, in its present form it applies to the Indians who are residents of the State of New York.

I have no complaint to make against the members of the committee nor do I find fault with the Commissioner of Indian Affairs, but I do desire to have printed in the RECORD a statement which I received from the president of the Seneca Nation of Indians, Mr. Ray W. Jimerson. This letter indicates the position of the Seneca Nation of Indians to the passage of this measure. It is held by the Indians of our State that this legislation is in direct conflict with their treaty rights.

I believe the Indians of the State of New York should be given a full opportunity to present their views and when such an opportunity arrives I should like to have the official representatives of the several tribes in attendance to present the attitude of those they represent.

I have no doubt that the members of the committee, as well as the Commissioner of Indian Affairs, are anxious to be helpful and just to the Indians of our Nation but our problem may be a little different and it is quite possible that what would be exact justice for one tribe might prove an injustice in other instances.

LETTER FROM RAY W. JIMERSON, PRESIDENT OF THE SENECA NATION OF INDIANS, IN REGARD TO THE WHEELER-HOWARD BILL

MY DEAR MR. MEAD: The bill (H.R. 7902) has been favorably reported out of the House Committee on Indian Affairs. We call your attention to the fact that the New York Indians were given no opportunity to speak their wishes on this legislation either in council assembled with the Commissioner of Indian Affairs or before the House.

We have copies of the bill as it was reported out of the House committee. As president of the Seneca Nation of Indians, representing the majority of the Indians in New York State, I hereby respectfully request you to file in the CONGRESSIONAL RECORD of the House the following protest when this bill shall come before that governing body:

The Seneca Nation of Indians protest against the passage of H.R. 7902 unless it be amended to exclude the New York Indians from all provisions thereof. The application of this bill to the New York Indians or any attempt to apply the provisions of this bill to them would be a direct violation of the sacred treaty rights.

Thanking you sincerely for your interest and endeavors in behalf of the Indians, I am,

Very sincerely yours,

RAY W. JIMERSON,
President Seneca Nation of Indians.

REPORT OF COMMITTEE ON THE POST OFFICE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to submit a report from the Committee on the Post Office on flooring materials, architects' pay, and other matters pertaining to the Post Office Department, in accordance with the Sabath resolution of investigation.

Mr. MARTIN of Massachusetts. This is a request to submit a report?

Mr. MEAD. Yes; for printing.

The SPEAKER. The report will be received and ordered printed.

FEDERAL CREDIT UNION SYSTEM

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1639) 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, and I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole; and pending that, may I ask the gentleman from Massachusetts to suggest what would be an agreeable amount of time for debate.

Mr. LUCE. Mr. Speaker, I do not think long debate is necessary.

Mr. STEAGALL. Would 30 minutes, 15 minutes to the side be agreeable to the gentleman?

Mr. LUCE. Yes.

Mr. STEAGALL. Then I include that in my request, Mr. Speaker.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the bill (S. 1639) may be considered in the House as in Committee, and that the time for debate be limited to 15 minutes on the side. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That this act may be cited as the "Federal Credit Union Act."

DEFINITIONS

SEC. 2. A Federal Credit Union is hereby defined as a cooperative society organized in accordance with the provisions of this act for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes. A

Federal Central Credit Union is hereby defined as a central organization of credit unions formed in accordance with the provisions of this act.

PART I

FEDERAL CREDIT UNION ORGANIZATION

SEC. 3. Any seven or more persons who are actual residents of or do business or are employed within the Federal Reserve district designated in the organization certificate and who desire to form a Federal Credit Union shall subscribe before some officer competent to administer oaths an organization certificate which shall specifically state:

(1) The name of the association, which shall include the words "Federal Credit Union."

(2) The location of the proposed Federal Credit Union, including the name of the Federal Reserve district and the city or town within said district within which it proposes to do business.

(3) The names and addresses of the subscribers to the certificate and the number of shares subscribed by each.

(4) The par value of the shares which shall not exceed $10 each.

(5) The proposed field of membership, specified in detail.

(6) The term of the Federal Credit Union's existence, which may be perpetual.

POWER OF THE DIRECTORS OF BANKS FOR COOPERATIVES TO ISSUE CHARTERS HEREUNDER

SEC. 4. The organization certificate shall be presented to the board of directors of the banks for cooperatives in the Federal Reserve district indicated in the organization certificate who shall determine (1) whether or not the certificate conforms with the provisions of this act; (2) the general character and fitness of the subscribers; (3) the advisability of establishing a Federal Credit Union in the proposed field of membership. The directors of said bank for cooperatives shall within 30 days of the receipt of said certificate determine whether or not to approve it and shall thereupon notify the subscribers to said certificate of their decision.

SEC. 5. If the decision is favorable, the certificate, with the approval of said board of directors noted thereon, shall be returned to the subscribers after due record of said approval has been filed by said directors with the records of the bank for cooperatives in the Federal Reserve district within which the proposed Federal Credit Union is located at which time a filing fee of $10 shall be paid by said subscribers to said bank for cooperatives to be deposited by said bank in the Treasury to the credit of the United States. At such time as the approved certificate is so filed and the bylaws hereinafter provided for are approved, the subscribers and their successors shall thereupon become a body corporate and as such shall, subject to the limitations herein contained, be vested with all of the powers and charged with all the liabilities conferred and imposed by this act upon corporations organized thereunder as Federal Credit Unions. If the decision of said directors should be unfavorable, an appeal may be had to the Governor of the Farm Credit Administration, whose decision shall be final.

SUPERVISION BY THE COMPTROLLER OF THE CURRENCY

SEC. 6. Federal Credit Unions shall be under the supervision of the Comptroller of the Currency. They shall report to him at least once annually on or before the 1st day of February in each year on blanks supplied by said Comptroller of the Currency. Additional reports may be required. Federal Credit Unions shall be examined at least once annually by said Comptroller of the Currency, but the cost of said examination shall not exceed a basic fee of $5.03 per $1,000 of assets per annum: *Provided, however,* That if a Federal Credit Union has assets of less than $25,000, the said Comptroller of the Currency may accept the audit of a practicing public accountant in the place of such examination: *Provided further,* That within 30 days of the conclusion of each fiscal year as defined herein said Federal Credit Union shall pay a fee of $10 to said board of directors as a license fee for the subsequent year: *And provided further,* That the said directors of the said bank for cooperatives may suspend or revoke the approval of the organization certificate of any Federal Credit Union upon proof of bankruptcy or insolvency of any such Federal Credit Union or upon conviction of a violation of any provision of this act or of any law or regulation of the State within which the Federal Credit Union operates or of the United States.

POWERS

SEC. 7. A Federal Credit Union shall have succession in its corporate name during its existence and shall have power—

(1) To make contracts.

(2) To adopt a corporate name and to sue and to be sued in such name.

(3) To adopt and use a common seal and alter the same at pleasure.

(4) To purchase, hold, and dispose of property necessary to enable the Federal Credit Union to carry on its operations.

(5) To make loans to its members for provident or productive purposes, upon such terms and conditions as this act and the bylaws provide and as the credit committee may approve, at rates of interest not exceeding 1 percent a month on unpaid balances, inclusive of all charges incident to making the loan: *Provided,* That no loan to a director, officer, or member of a committee shall exceed the amount of his holdings in the Federal Credit Union in shares and deposits; nor shall any such director, officer, or committee member endorse for borrowers. A borrower may prior to maturity repay his loan in whole or in part on any business day.

(6) To receive from its members payments on shares and on deposits.

(7) To invest its funds (a) in loans exclusively to members; (b) in securities of the United States of America; (c) in the way and manner hereinafter indicated in the shares of a Federal Central Credit Union located in the State in which the Federal Credit Union is operating.

(8) To make deposits in national banks, in postal savings banks to the limit permitted by law, in Federal Central Credit Unions as hereinafter defined, and in State banks, trust companies, and mutual savings banks operating in accordance with the laws of the State in which the Federal Credit Union does business.

(9) To borrow (from any source) in an aggregate amount not exceeding 50 percent of its paid-in and unimpaired capital.

(10) To fine members for failure to meet promptly their obligations to the Federal Credit Union in the way and manner provided in the bylaws.

(11) To impress a lien upon the shares, deposits, and dividends of any member to the extent of any loan made to him and any dues or fines payable by him.

BYLAWS

SEC. 8. At the time of presenting the organization certificate the incorporators shall submit to the said board of directors of the said Federal Reserve bank proposed bylaws which shall be prepared on a standard form as approved for Federal Credit Unions operating under provisions of this act by the Comptroller of the Currency. In order to simplify the organization of credit unions the said Comptroller of the Currency shall, upon the passage of this act, cause to be prepared a form of certificate of organization and a form of bylaws, consistent with this act, which may be used by credit union incorporators for their guidance, and on written application of any seven residents of a district, shall supply them without charge with a blank certificate of organization and a copy of said form of suggested bylaws.

MEMBERSHIP

SEC. 9. Federal Credit Union membership shall consist of the incorporators and such other persons and organizations as may be elected to membership and subscribe to at least one share, pay the initial installment thereon and the entrance fee; except that Federal Credit Union membership shall be limited to groups having a common bond of occupation, or association, or to groups within a well-defined neighborhood, small community, or rural district.

MEMBERS' MEETINGS

SEC. 10. The fiscal year of all Federal Credit Unions shall end December 31. The annual meeting of the Federal Credit Union shall be held at such time during the month of the following January and at such place as the bylaws shall prescribe. Special meetings may be held in the manner indicated in the bylaws. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent delegated for the purpose. No member shall, irrespective of the number of shares held by him, have more than 1 vote. All offices of a Federal Credit Union shall be within the Federal Reserve district within which it is organized.

MANAGEMENT

SEC. 11. (a) The business affairs of a Federal Credit Union shall be managed by a board of not less than 5 directors, a credit committee of not less than 3 members, and a supervisory committee of 3 members, to be elected at the annual meeting and to hold office for such terms, respectively, as the bylaws may provide and until successors qualify. A record of the names and addresses of the members of the board and committees and officers shall be filed with the bank for cooperatives of the Federal Reserve district within which the Federal Credit Union operates within 10 days after their election. No member of the board or of either committee shall, as such, be compensated: *Provided,* That no person shall be elected to the board or to either committee unless he be duly elected to membership as provided in section 9 of this act.

(b) Officers: At their first meeting after the annual meeting the directors shall elect from their own number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the corporation. The offices of clerk and treasurer may be held by the same person. The duties of the officers shall be as determined by the bylaws, except that the treasurer shall be the general manager of the corporation.

(c) Directors: The board of directors shall meet at least once a month and shall have the general direction of the affairs of the corporation. They shall act upon applications for membership; fix the amount of the surety bond required of any officer having custody of funds; recommend the declaration of dividends; determine interest rates on loans: *Provided, however,* That the interest rate on loans shall not be in excess of the maximum amount fixed by the provisions of this act; fill vacancies in the board and in the credit committee until successors to be elected at the next annual meeting have qualified; have charge of investments other than loans to members; determine from time to time the maximum individual share holding and the maximum individual loan which may be made with and without security, except that no loan in excess of $50 shall be made without ade-

quate security. For the purposes of this subdivision an assignment of shares or the endorsement of a note shall be deemed security.

(d) Credit committee: The credit committee shall hold such meetings as the business of the Federal Credit Union may require and not less frequently than once a month, of which meetings due notice shall be given to members of the committee by the treasurer, to consider applications for loans to members of the corporation, and no loan shall be made unless all of the members of the committee who are present when the application is considered and a majority of all the committee approve the loan. Applications for loans shall be made on forms prepared by such committee, which shall set forth the purpose for which the loan is desired, the security, if any, and such other data as may be required.

(e) Supervisory committee: The supervisory committee shall make an examination of the affairs of the Federal Credit Union at least quarterly, including an audit of its books, shall make an annual audit and a report to be submitted at the annual meeting of the corporation; by a unanimous vote may suspend any officer of the corporation, or any member of the credit committee or of the board of directors until the next members' meeting which said meeting shall, however, be held within 7 days of said suspension at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this act or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe and unauthorized. The said committee shall fill vacancies in its own membership until successors to be elected at the next annual meeting have qualified: *Provided, however,* That before the treasurer shall enter upon his duties he shall give bond with good and sufficient security, in an amount and character to be determined from time to time by the board of directors conditioned upon the faithful performance of his trust, and approved by the governor of the Federal Reserve bank within the district in which the credit union operates. The supervisory committee shall cause to be verified from time to time, and not less frequently than once every 2 years, the passbooks of the members with the records of the treasurer.

RESERVES

SEC. 12. All entrance fees and fines provided by the bylaws and, before the declaration of any dividend, 20 percent of the net earnings of each year shall be set aside as a reserve fund against possible bad loans, which funds shall be kept liquid and intact and not distributed except in case of liquidation.

DIVIDENDS

SEC. 13. At the annual meeting a dividend may be declared from net earnings on recommendation of the board of directors, which dividend shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which became fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the 1st day of the month following such payment in full.

EXPULSION AND WITHDRAWAL

SEC. 14. A member may be expelled by a two-thirds vote of the members of a Federal Credit Union present at a special meeting called for such purpose, but only after an opportunity has been given him to be heard. The Federal Credit Union may require 60 days' notice of intention to withdraw shares and 30 days' notice of intention to withdraw deposits, which period of notice may be extended if in the opinion of the board of directors the best interests of the Federal Credit Union require and for such longer time as the said governor of the Federal Reserve bank in the district in which the Federal Credit Union operates may permit. Expulsion or withdrawal shall not operate to relieve a member from any liability to the Federal Credit Union. All amounts paid in on shares or deposits by expelled or withdrawing members prior to their expulsion or withdrawal shall be paid to them in order of their withdrawal or expulsion, but only as funds become available and after deducting any amounts due from such members to the Federal Credit Union.

MINORS

SEC. 15. Shares may be issued and deposits received in the name of a minor or in trust in such manner as the bylaws may provide. The name of the beneficiary shall be disclosed to the Federal Credit Union.

RESTRICTION ON THE USE OF THE WORDS "FEDERAL CREDIT UNION"

SEC. 16. It shall be unlawful for any individual, partnership, association, or corporation, except corporations organized in accordance with the provisions of this act, to transact business under any name or title containing the words in combination "Federal Credit Union" or "Federal Central Credit Union", or other words indicating that the business is transacted pursuant to the authority of this act of Congress. This section shall not, however, apply to credit unions organized and operating in accordance with the terms of State credit union laws. Any individual, partnership, association, or corporation violating this section shall, upon conviction thereof, be subject to a fine of not more than $10 for each day during which the violation continues.

PART II

FEDERAL CENTRAL CREDIT UNIONS

SEC. 17. For the purpose of forming a Federal Central Credit Union any 25 credit unions operating within a State, including Federal Credit Unions organized in accordance with the provisions of this act and State credit unions operating in accordance with the terms of State laws which permit said credit unions to have membership in a Federal Central Credit Union, may submit before some officer competent to administer oaths an organization certificate which shall state specifically:

(1) The name of the association, which shall include the words "Federal Central Credit Union" preceded by the name of the State in which the credit unions which present the certificate operate.

(2) The names and addresses of the credit unions presenting the certificate and the number of shares subscribed by each which shall be not less than 10 shares payable in cash on authorization to do business.

(3) The par value of the shares, which shall be $50.

(4) The term of said Federal Central Credit Union, which may be perpetual.

There shall be but one Federal Central Credit Union in each State.

All credit unions in a State which comply with the conditions herein contained shall be eligible to membership in the Federal Central Credit Union of that State.

METHODS OF ORGANIZATION

SEC. 18. The organization certificate, properly executed as aforesaid, shall be presented to the board of directors of the bank for cooperatives in the Federal Reserve district in which said Federal Central Credit Union is to be located, for approval or disapproval. The said board of directors shall, within 30 days of the receipt thereof, approve it or disapprove it and shall notify the subscribers to the certificate of its decision. If said decision is favorable it shall return the certificate with its approval noted thereon to the subscribers who shall thereupon file the said approved certificate with the office of the bank for cooperatives in the Federal Reserve district in which is located the city or town in which the principal office of the said Federal Central Credit Union is to be located, at which time said subscribers shall pay a fee of $100 to the said bank for cooperatives for deposit by said bank in the Treasury to the credit of the United States. During the month of January in each year thereafter following the completion of the first full fiscal year of the said Federal Central Credit Union a similar fee of $100 shall be paid to the said bank for cooperatives for deposit by it in the Treasury to the credit of the United States. Federal Central Credit Unions shall be examined at least once annually by the Comptroller of the Currency and shall pay the actual cost of said examination. Federal Central Credit Unions shall report at least once annually to the Comptroller of the Currency on forms supplied by him for that purpose, and more frequent reports may be required by said Comptroller.

POWERS

SEC. 19. A Federal Central Credit Union shall have succession in its corporate name during its existence and shall have power—

(1) To make contracts.

(2) To adopt a corporate name and to sue and to be sued in said name.

(3) To adopt and use a common seal and alter the same at pleasure.

(4) To purchase, hold, and dispose of property necessary to enable it to carry on its operations.

(5) To receive from its members payments on shares, including an original cash subscription from each subscribing member of not less than $500 and installments on not more than 10 additional shares per individual member, payable on such installment basis as the directors may determine.

(6) To receive deposits from its members in such fashion as the bylaws may provide.

(7) To make loans to its own members within the individual borrowing power of each borrowing credit union in each case as established by this act or by State law and to accept as security for such loans such collateral as the board of directors in the individual case may require, including the right to discount the notes of the borrowing credit union received from its members: *Provided,* That no loan shall be made unless the fair market value of the security offered or the total amount of personal notes offered for discount equal at least twice the amount of the loan: *Provided further,* That a borrowing member credit union may at any time borrow the amount of its share holdings and deposits in the Federal Central Credit Union with no other security than an assignment of said shares and deposits: *And provided further,* That the rate of interest charged on loans shall be determined from time to time by the board of directors of the Federal Central Credit Union and in no case shall exceed the prevailing rate paid on deposits in said Federal Central Credit Union by more than 1 percent per annum.

(8) To pay interest on deposits from member credit unions at a rate which shall not exceed 5 percent per annum and to pay dividends on its shares at a rate which shall not exceed 6 percent per annum.

(9) To invest its funds in the securities of the United States.

(10) To make deposits in national banks, postal savings banks, Federal Reserve banks, and in State banks, mutual savings banks and trust companies located in the State in which said Federal Central Credit Union has its principal office.

(11) To borrow from any source in an aggregate amount which shall not exceed 50 percent of its paid-in and unimpaired capital and surplus: *Provided,* That the total of rediscounts as provided in subsection (8) hereof and amounts borrowed shall at no time together exceed 50 percent of said paid-in and unimpaired capital and surplus.

(12) To impress a lien upon the shares and dividends and deposits and deposit interest of any member to the extent of any loan made it and any dues and fines payable by it.

BYLAWS

SEC. 20. At the time of presenting the organization certificate the incorporators shall submit to the board of directors of the bank for cooperatives in the Federal Reserve district in which said Federal Central Credit Union is to be located proposed bylaws which shall be prepared on a standard form as approved for Federal Central Credit Unions operating in accordance with this act by the said board of directors of said bank for cooperatives. In order to simplify the organization of Federal Central Credit Unions the said board of directors of said bank for cooperatives shall, upon the passage of this act, cause to be prepared a form of organization certificate and a form of bylaws consistent with this act which they shall supply to credit unions for their guidance in the organization of Federal Central Credit Unions.

MEMBERSHIP

SEC. 21. Membership in a Federal Central Credit Union shall consist of the credit unions within the State within which it operates which are eligible to membership and comply with the conditions of membership as herein set forth. All Federal credit unions in any State in which a Federal Central Credit Union is in process of organization or has been organized may join it upon compliance with the terms of this act, as may all credit unions organized in accordance with State laws in said State if said State laws permit said membership in a Federal Central Credit Union and the said State credit union has the approval of the board of directors of the bank for cooperatives in the Federal Reserve district within which it operates after said board of directors shall have determined on examination that said State credit union is in satisfactory condition.

MEMBERS' MEETINGS

SEC. 22. The fiscal year of all Federal Central Credit Unions shall end December 31 of each year. The annual meeting of the said Federal Central Credit Union shall be held at such time during the month of the following January and at such place as the bylaws shall prescribe. Special meetings shall be held in the manner indicated in the bylaws. No member credit union shall have more than one vote, which shall be cast at meetings by a delegate duly authorized by said member credit union as its representative, and there shall be no proxy voting. All offices of a Federal Central Credit Union shall be located in the State within which it is organized.

MANAGEMENT

SEC. 23. The business affairs of a Federal Central Credit Union shall be managed by a board of not less than 11 directors and a supervisory committee of 3 members, to be elected at the annual meeting and to hold office for such terms, respectively, as the bylaws may provide and until successors qualify, except that the subscribers to the organization certificate shall elect from the membership of the credit unions which they represent the first board, which shall serve until the first annual meeting following said organization meeting. No credit union may have more than one of its members on the board of directors at any one time. Two months prior to the annual meeting in each year the clerk of the board of directors of a Federal Central Credit Union shall notify each member credit union of the date, hour, and place of the next annual meeting as determined by the board of directors and the number of vacancies to be filed, if any, on the board of directors and the supervisory committee, requesting each credit union to nominate one of its members to a vacancy on said board or committee if no one of its members is a member of said board or committee whose term does not expire at said annual meeting. Elections at the annual meetings shall be by ballot and shall be confined to nominees named in the way and manner above indicated: *Provided, however,* That if there is not a sufficient number of such nominees to fill existing vacancies, nominations completing the necessary number may be made from the floor. A record of the names and addresses of the members of the board and of the supervisory committee elected shall be filed with the bank for cooperatives in the Federal Reserve district within which said Federal Central Credit Union has its principal office within 10 days after said election. No member of said board or of said committee shall as such be compensated, but the actual expenses of a member of said board of directors or of said supervisory committee incurred in attending meetings may be refunded to said member.

The board of directors shall have the general direction of the affairs of the association, including the matter of determining loans. They shall fix the amount of the surety bond which they shall require of any officer or employee having custody of funds; recommend the declaration of dividends within the limit herein contained; determine the interest rates on loans to members and the interest rate to be paid on deposits, both within the limits herein indicated; fill vacancies in the board until successors to be elected at the next annual meeting have qualified; elect from their own number the officers; have charge of all investments within the limitations herein set forth; determine from time to time the maximum amount which may be loaned to any one member which loans shall be made on an application form prepared by said board of directors which application shall set forth the purpose of the loan, the terms and security offered, together with a certified copy of the vote of the board of directors of the borrowing credit union authorizing acceptance of said loan and the authority required by any State law or this act as a condition precedent to the right of a credit union to borrow in the way and manner provided, together with a statement that the total amount owed by the borrowing credit union including the proposed loan does not exceed the borrowing limit of the credit union as established by State law or by this act.

At their first meeting, which shall be held within not less than 10 days after the annual meeting of the membership, the directors shall elect from their own number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the said Federal Central Credit Union, who shall hold office for the terms indicated in the bylaws and until successors are elected and qualify. The duties of the officers shall be as provided by the bylaws, except that the treasurer shall be general manager. The officers may be compensated in such amounts as the directors may from time to time determine within the limits set each year by the members at their annual meeting. The supervisory committee shall make or cause to be made an examination of the affairs of the Federal Central Credit Union at least quarterly, including an audit of its books; shall make an annual audit and a report to be submitted at the annual meeting of the corporation; may by a unanimous vote suspend any officer of the corporation or any member of the board of directors until the next members' meeting, which said meeting shall, however, be held within 15 days of said suspension, at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the members to consider any violation of this act or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The said committee shall fill vacancies in its own membership until successors to be elected at the next annual meeting have qualified: *Provided, however,* That before the treasurer shall enter upon his duties he shall give a surety bond in an amount and character to be determined from time to time by the board of directors, conditioned upon the faithful performance of his trust and approved by the board of directors of the bank for cooperatives within the Federal Reserve district in which the Federal Central Credit Union operates.

REPORTS

SEC. 24. The Federal Central Credit Union shall make such reports from time to time as may be required by the Comptroller of the Treasury or by the board of directors of the bank for cooperatives in the Federal Reserve district within which it operates.

RESERVES

SEC. 25. Each credit union on joining a Federal Central Credit Union shall pay an entrance fee of $10. The entrance fees together with all fines and, before the declaration of a dividend each year as hereinafter provided, 20 percent of the net earnings of each year, shall be set aside as a reserve fund against possible bad loans, which fund shall be kept liquid and intact and not distributed except in case of liquidation. To this fund shall also be added at the end of each fiscal year all undivided earnings.

DIVIDENDS

SEC. 26. At the annual meeting of the membership a dividend may be declared out of net earnings within the limits hereinbefore indicated. Said dividends shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which became fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the 1st day of the month following such payment in full.

EXPULSION AND WITHDRAWAL

SEC. 27. A member of a Federal Central Credit Union may be expelled by a two-thirds vote of the members of the Federal Central Credit Union at a special meeting called for such purpose, but only after an opportunity has been given to be heard. The Federal Central Credit Union may require 60 days' notice of the intention of a member credit union to withdraw shares, which withdrawal may be permitted to a minimum of 10 shares per member and may require 30 days' notice of the intention of a member credit union to withdraw deposits. The period of withdrawal notice may in either case be extended by said board of directors if in their opinion the best interests of the Federal Central Credit Union require and for such longer time as the board of directors of the bank for cooperatives in the Federal Reserve district in which the said Federal Central Credit Union has its principal office may permit. Expulsion or withdrawal shall not operate to relieve a member credit union from any liability to the Federal Central Credit Union. All amounts paid in on such shares or deposits by expelled or withdrawing member credit unions prior to their expulsion or withdrawal shall be paid to them in order of their withdrawal or expulsion, but only as funds become available and after deducting any amounts due from such member credit unions to the Federal Central Credit Union.

RESERVATION OF RIGHT TO ALTER

SEC. 28. Congress reserves the right to alter, amend, or repeal this act or any part thereof, or any charter or certificate of incorporation issued pursuant to the provisions of this act.

With the following committee amendments:

Strike out all after the enacting clause and insert the following: "That this act may be cited as the 'Federal Credit Union Act.'

"DEFINITIONS

"SEC. 2. A Federal credit union is hereby defined as a cooperative association organized in accordance with the provisions of

this act for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes. When used in this act the term 'Administration' means Farm Credit Administration, and the term 'Governor' means the Governor thereof.

"FEDERAL CREDIT UNION ORGANIZATION

"SEC. 3. Any seven or more natural persons who desire to form a Federal credit union shall subscribe before some officer competent to administer oaths an organization certificate in duplicate which shall specifically state—

"(1) The name of the association.

"(2) The location of the proposed Federal credit union and the territory in which it will operate.

"(3) The names and addresses of the subscribers to the certificate and the number of shares subscribed by each.

"(4) The par value of the shares, which shall be $5 each.

"(5) The proposed field of membership, specified in detail.

"(6) The term of the existence of the corporation, which may be perpetual.

"(7) The fact that the certificate is made to enable such persons to avail themselves of the advantages of this act.

"Such organization certificate may also contain any provisions approved by the Governor for the management of the business of the association and for the conduct of its affairs and relative to the powers of its directors, officers, or stockholders.

"APPROVAL OF ORGANIZATION CERTIFICATE

"SEC. 4. Any such organization certificate shall be presented to the Governor for approval. Upon such approval the Federal credit union shall be a body corporate and as such, subject to the limitations herein contained, shall be vested with all of the powers and charged with all the liabilities conferred and imposed by this act upon corporations organized hereunder. Before any organization certificate is approved an appropriate investigation shall be made for the purpose of determining (1) whether the organization certificate conforms to the provisions of this act; (2) the general character and fitness of the subscribers thereto; and (3) the economic advisability of establishing the proposed Federal credit union. Upon approval of such organization certificate by the Governor it shall be the charter of the corporation and one of the originals thereof shall be delivered to the corporation after the payment of the fee required therefor.

"FEES

"SEC. 5. For the purpose of paying the costs incident to the ascertainment of whether an organization certificate should be approved the subscribers to any such certificate shall pay, at the time of filing their organization certificate, the amount prescribed by the Governor, which shall not exceed $20 in any case; and on the approval of any organization certificate they shall also pay a fee of $5. During December of each calendar year each Federal credit union shall pay to the Administration a fee of not to exceed $10, to be fixed by the Governor, for the cost of supervision: *Provided, however,* That no such annual fee shall be payable by such an organization for the fractional part of the first calendar year during which it is formed. All such fees shall be deposited with the Treasurer of the United States for the account of the Administration and may be expended by the Governor for such administrative and other expenses incurred in carrying out the provisions hereof as he may determine to be proper, the purpose of such fees being to defray, as far as practicable, the administrative and supervisory costs incident to the carrying out of this act.

"REPORTS AND EXAMINATIONS

"SEC. 6. Federal credit unions shall be under the supervision of the Governor, and shall make such financial reports to him (at least annually) as he may require. Each Federal credit union shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the Governor. The Governor shall fix a scale of examination fees designed, as far as is practicable, so that in each case the fee to be paid shall equal the expense of such examination, which fees shall be assessed against and paid by each Federal credit union promptly after the completion of any such examination: *Provided, however,* That if a Federal credit union has assets of less than $25,000 the Governor may accept the audit report of a practicing public accountant in place of such examination and may relieve such Federal credit union of the obligation to pay the examination fee required by this section. Examination fees collected under the provisions of this section shall be deposited to the credit of the special fund created by section 5 hereof, and shall be available for the purposes specified in said section 5.

"POWERS

"SEC. 7. A Federal credit union shall have succession in its corporate name during its existence and shall have power—

"(1) To make contracts.

"(2) To sue and be sued.

"(3) To adopt and use a common seal and alter the same at pleasure.

"(4) To purchase, hold, and dispose of property necessary and incidental to its operations.

"(5) To make loans with maturities not exceeding 2 years to its members for provident or productive purposes upon such terms and conditions as this act and the bylaws provide and as the credit committee may approve, at rates of interest not exceeding 1 percent per month on unpaid balances (inclusive of all charges incident to making the loan): *Provided,* That no loans to a director, officer, or member of a committee shall exceed the amount of his holdings in the Federal credit union as represented by shares thereof. No director, officer, or committee member shall endorse for borrowers. A borrower may repay his loan, prior to maturity, in whole or in part on any business day.

"(6) To receive from its members payments on shares.

"(7) To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby.

"(8) To make deposits in national banks and in State banks, trust companies, and mutual savings banks operating in accordance with the laws of the State in which the Federal credit union does business.

"(9) To borrow (from any source) in an aggregate amount not exceeding 50 percent of its paid-in and unimpaired capital and surplus: *Provided,* That any Federal credit union may discount with or sell to any Federal intermediate credit bank any eligible obligations up to the amount of its paid-in and unimpaired capital, subject to such rules and regulations as may be prescribed by the Governor.

"(10) To fine members, in accordance with the bylaws, for failure to meet promptly their obligations to the Federal credit union.

"(11) To impress and enforce a lien upon the shares and dividends of any member, to the extent of any loan made to him and any dues or fines payable by him.

"(12) To exercise such incidental powers as shall be necessary or requisite to enable it to carry on effectively the business for which it is incorporated.

"BYLAWS

"SEC. 8. In order to simplify the organization of Federal credit unions the Governor shall, upon the passage of this act, cause to be prepared a form of organization certificate and a form of bylaws, consistent with this act, which shall be used by Federal credit union incorporators, and shall be supplied to them on request. At the time of presenting the organization certificate the incorporators shall also submit proposed bylaws to the Governor for his approval.

"MEMBERSHIP

"SEC. 9. Federal credit union membership shall consist of the incorporators and such other persons and incorporated and unincorporated organizations, to the extent permitted by rules and regulations prescribed by the Governor, as may be elected to membership and as shall, each, subscribe to at least one share of its stock and pay the initial installment thereon and the entrance fee; except that Federal credit union membership shall be limited to groups having a common bond of occupation, or association, or to groups within a well-defined neighborhood, community, or rural district.

"MEMBERS' MEETINGS

"SEC. 10. The fiscal year of all Federal credit unions shall end December 31. The annual meeting of each Federal credit union shall be held at such time during the month of the following January and at such place as its bylaws shall prescribe. Special meetings may be held in the manner indicated in the bylaws, No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated for the purpose. Irrespective of the number of shares held by him, no member shall have more than one vote.

"MANAGEMENT

"SEC. 11. (a) The business affairs of a Federal credit union shall be managed by a board of not less than 5 directors, a credit committee of not less than 3 members, and a supervisory committee of 3 members (a majority of whom shall not be directors) all to be elected by the members (and from their number) at their annual meeting, and to hold office for such terms, respectively, as the bylaws may provide. A record of the names and addresses of the members of the board and committees and officers shall be filed with the Administration within 10 days after their election. No member of the board or of either committee shall, as such, be compensated.

"OFFICERS

"(b) At their first meeting after the annual meeting of the members, the directors shall elect from their number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the corporation and may be compensated for their services to such extent as the bylaws may provide. The offices of clerk and treasurer may be held by the same person. The duties of the officers shall be as determined by the bylaws, except that the treasurer shall be the general manager of the corporation. Before the treasurer shall enter upon his duties he shall give bond with good and sufficient surety, in an amount and character to be determined from time to time by the board of directors, conditioned upon the faithful performance of his trust.

"DIRECTORS

"(c) The board of directors shall meet at least once a month and shall have the general direction and control of the affairs of the corporation. Minutes of all such meetings shall be kept. Among other things they shall act upon applications for membership; fix the amount and character of the surety bond required of any officer having custody of funds; recommend the declaration of dividends; fill vacancies in the board and in the credit committee until successors are elected at the next annual meeting have qualified; have charge of investments other than loans to members; determine from time to time the maximum number of shares

that may be held by any individual; and, subject to the limitations of this act, determine the interest rates on loans and the maximum amount that may be loaned with or without security to any member.

"CREDIT COMMITTEE

"(d) The credit committee shall hold such meetings as the business of the Federal credit union may require and not less frequently than once a month (of which meetings due notice shall be given to members of the committee by the treasurer) to consider applications for loans. No loan shall be made unless approved by a majority of the entire committee and by all of the members of the committee who are present at the meeting at which the application is considered. Applications for loans shall be made on forms prepared by such committee, which shall set forth the purpose for which the loan is desired, the security, if any, and such other data as may be required. No loan in excess of $50 shall be made without adequate security and no loan shall be made to any member in excess of $200 or 10 percent of the Federal credit union's paid-in and unimpaired capital and surplus, whichever is greater. For the purposes of this subdivision an assignment of shares or the endorsement of a note shall be deemed security.

"SUPERVISORY COMMITTEE

"(e) The supervisory committee shall make, at least quarterly, an examination of the affairs of the Federal credit union, including an audit of its books; shall make an annual audit and a report to be submitted at the annual meeting of the corporation; and, by a unanimous vote, may suspend any officer of the corporation, or any member of the credit committee or of the board of directors until the next members' meeting, which said meeting, however, shall be held within 7 days of said suspension and at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this act, the charter, or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The said committee shall fill vacancies in its own membership until successors to be elected at the next annual meeting have qualified. The supervisory committee shall cause the passbooks and accounts of the members to be verified with the records of the treasurer from time to time and not less frequently than once every 2 years.

"RESERVES

"SEC. 12. All entrance fees and fines provided by the bylaws and 20 percent of the net earnings of each year, before the declaration of any dividends, shall be set aside, subject to terms and conditions specified in the bylaws, as a reserve fund against possible bad loans.

"DIVIDENDS

"SEC. 13. At the annual meeting a dividend may be declared from the remaining net earnings on recommendation of the board of directors, which dividend shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which become fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the 1st day of the month following such payment in full.

"EXPULSION AND WITHDRAWAL

"SEC. 14. A member may be expelled by a two-thirds vote of the members of a Federal credit union present at a special meeting called for the purpose, but only after an opportunity has been given him to be heard. Withdrawal or expulsion of a member shall not operate to relieve him from liability to the Federal credit union. The amount to be paid a withdrawing or expelled member by a Federal credit union shall be determined and paid in the manner specified in the bylaws.

"MINORS

"SEC. 15. Shares may be issued in the name of a minor or in trust, subject to such conditions as may be prescribed by the bylaws. The name of the beneficiary shall be disclosed to the Federal credit union.

"CERTAIN POWERS OF GOVERNOR

"SEC. 16. (a) The Governor may prescribe rules and regulations for the administration of this act (including, but not by way of limitation, the merger, consolidation, and/or dissolution of corporations organized under this act).

"(b) The Governor may suspend or revoke the charter of any Federal credit union upon his finding that the organization is bankrupt or insolvent or has violated any provisions of its charter, its bylaws, or of this act, or of any regulations issued thereunder.

"(c) The Governor is hereby authorized and empowered to execute any and all functions and perform any and all duties vested in him hereby, through such persons as he shall designate or employ; and he may delegate to any person or persons, including any institution operating under the general supervision of the administration, the performance and discharge of any authority, power, or function vested in him by this act.

"(d) All books and records of Federal credit unions shall be kept and reports shall be made in accordance with forms approved by the Governor.

"FISCAL AGENTS AND DEPOSITORIES

"SEC. 17. Each Federal credit union organized under this act, when requested by the Secretary of the Treasury, shall act as fiscal agent of the United States and shall perform such services as the Secretary of the Treasury may require in connection with the collection of taxes and other obligations due the United States and the lending, borrowing, and repayment of money by the United States, including the issue, sale, redemption, or repurchase of bonds, notes, Treasury certificates of indebtedness, or other obligations of the United States; and to facilitate such purposes the Governor shall furnish to the Secretary of the Treasury from time to time the names and addresses of all Federal credit unions with such other available information concerning them as may be requested by the Secretary of the Treasury. Any Federal credit union organized under this act, when designated for that purpose by the Secretary of the Treasury, shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary of the Treasury.

"TAXATION

"SEC. 18. Nothing herein contained shall prevent the shares of stock in any Federal credit union organized hereunder from being included in the valuation of the personal property of the owners or holders of such shares in assessing taxes imposed by authority of the State in which the Federal credit union is located or shall prevent the taxation of any Federal credit union or its property by authority of such State in the manner and not to exceed the rate imposed upon domestic banking corporations.

"SEC. 19. Not to exceed $50,000 of the fund available to the Governor under section 4 of the act of March 3, 1932, for expenses of administration in connection with loans made thereunder to aid in the establishment of agricultural credit corporations, is hereby made available also for administrative expenses in administering this act.

"SEC. 20. (a) If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

"(b) The right to alter, amend, or repeal this act or any part thereof, or any charter issued pursuant to the provisions of this act, is expressly reserved."

Mr. STEAGALL. Mr. Speaker, this bill comes to the House with a unanimous report from the Committee on Banking and Currency.

The bill was considered by a Subcommittee of the Banking and Currency Committee of the Senate, and then in turn by the entire Committee of the Senate and passed by the Senate unanimously. The bill has the approval of, and is earnestly desired by the administration, including the Secretary of the Treasury and other Treasury officials.

The measure provides for a system of cooperative credit institutions by citizens who form credit unions, not to be less than seven in number, to be controlled by them and supervised by the Governor of the Farm Credit Administration.

There have been organized in about 38 States of the Union and are now in existence something like 2,500 credit unions. They have served their members satisfactorily and successfully. During the entire period of the depression these institutions have been able to carry on to the satisfaction of their members without loss and without difficulty.

This system of institutions will fill a most desirable need in the credit world of a class of people who have suffered from exorbitant and unjustifiable interest rates.

We are advised that this class of people has been paying interest charges of 42 percent plus. With a charge of that type in mind, $2,000,000,000 and over are wrested annually from citizens of small means, involving a curtailment of purchasing power of a class of society that is most in need of elevation in the standard of living.

The organizations would be under the Governor of the Farm Credit Administration, who would supervise their operations, but in the meantime the term of ownership would be in small investors having small savings. Loans to members would be limited to $50 for each individual unless secured either by endorsement or by collateral.

The measure represents an effort to build from the bottom. It represents an effort to help citizens solve their own economic problems and meet their own conditions of distress out of their own resources and by their own efforts. The system loans on character, a thing greatly to be desired.

The Banking and Currency Committee of the House think it marks a forward step in a movement or program that will be of great aid in the administration and in meeting conditions that call for solution.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. COCHRAN of Missouri. I concur in everything the gentleman from Alabama says as to the value of this legislation, but in bringing this bill here at such a late hour

with an amendment striking out everything after the enacting clause and substituting the House bill, necessitating the return of the bill to the Senate, are you not in danger of defeating the bill if the Senate fails to agree to the House amendment?

Mr. STEAGALL. Let me say to the gentleman that it is a source of great regret to the Banking and Currency Committee that business has been such that the bill had to be delayed, but I assure my friend that every member of the Banking and Currency Committee on both sides is heartily in favor of the passage of the bill.

The changes that have been made have been worked out by those who out of public spirit and on behalf of the public welfare have considered this legislation in all its details. The changes made are not fundamental but really more as to details and as to the supervisory power under whose control the system of institutions would operate.

Mr. COCHRAN of Missouri. Has the gentleman any assurance that the Senate will agree to the amendment?

Mr. STEAGALL. I have not the slightest doubt, if we can secure the immediate passage of this bill, that it will be passed by the House and the Senate before Congress adjourns. I have every assurance of that.

Mr. COCHRAN of Missouri. I am very glad to have such assurance from the gentleman from Alabama.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. O'CONNOR. In the States these credit unions are under the supervision of insurance commissioners or some similar governmental agency. Why were they not put under the control of the Comptroller of the Currency?

Mr. STEAGALL. These institutions are not comparable in the matter of their resources and the nature of the organization and the service they render to the institutions that are supervised by the Comptroller of the Currency. There were various suggestions. In the Senate bill it was provided that they should go under the Farmers' Cooperative Credit Association, but those who were interested in framing the bill thought the best place to put it was under the Farm Credit Administration for the reason that that branch of the Government is the most experienced branch in the matter of cooperative credit. We are advised that the control of these institutions is not desirable from the standpoint of salaries and remuneration, and there was no clamor on the part of any governmental agency to assume responsibility for them.

Mr. RANDOLPH. Is it not a fact that in other countries of the world where they have been instituted they have worked successfully?

Mr. STEAGALL. Wherever these institutions have been organized they have worked successfully.

Mr. LUCE. Mr. Speaker, more years ago than I like to admit, when as a young man I was working on the staff of a Boston newspaper, the city editor formed an organization made up of the men from the editorial staff, from the composing room and the press room—everybody willing to come in being admitted—the members of which agreed to put in a small sum each week in order that there might be a fund from which the members might meet unexpected money needs as in the case of severe sickness or death or because of some other unforeseen occasion. I would not say that this organization was the beginning of this great movement for, indeed, the seeds had been sown in Germany long before. In Germany the small loan cooperative organization so flourished that it spread over the world. Coming across the Atlantic it landed in the Province of Quebec, and there was so useful to the people in humble walks of life that it attracted the attention of certain philanthropists in my own State, notably Edwin A. Filene, a prosperous Boston merchant, whose chief object in life has been to spend his money where it could help his fellow men. Out of his purse has come a very large amount of money to acquaint the people of the country with the benefits of the credit union idea.

The growth of the unions has been a battle, a long, hard battle. It has been a battle between the men on the one hand who have taken interest in their fellows, and the loan sharks on the other. The loan sharks do a small-loan business which in the aggregate runs up into billions of dollars annually. The usury laws permit a charge in most of the States of 42 percent a year. In this depression in a few States it has been dropped down to 36 percent a year. Those who fatten on the necessities of the poor make charges far above this. We were told of one instance where a loan shark collected 3,200 percent in a year. This outrageous state of affairs has brought great loss and hardship to those whose means are small, yet whose necessities are just as great as those of us who are more prosperous. In various States of the Union the loan sharks have been able to control the legislatures so that they have secured the passage of laws making it almost impossible to form one of these credit unions. For instance, by placing the incorporation fee so high that the unions cannot pay it, the unions have been unable to organize. In 10 States they have thwarted entirely the organization of these unions by preventing the passage of laws permitting incorporation.

In order that all parts of the country, including not only the industrial centers but also the agricultural regions, might have the benefit of this system, it was decided to ask from Congress a law that would permit the creation of these credit unions wherever they might be needed. As the bill first came before us I was somewhat disturbed to find in it provisions for the creation of central credit unions, which threatened to take these unions out from under the State laws, even in those States where the laws are salutary and their enforcement judicious. It has since then been decided to drop that part of the bill, which was the only questionable part. Both in the Senate and the House those who have studied this bill have not only approved its purpose but the form in which it is now laid before the House. I can imagine no ground for opposition to the bill. It satisfies those who are most concerned in the welfare of this institution.

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

Mr. LUCE. Yes.

Mr. BULWINKLE. Is this supposed to take the place of the crop-production loans?

Mr. LUCE. Not at all. It is turned over to the Department of Agriculture to handle, I understand, because that Department already has a division which is handling various credit agencies. This does not in any way interfere with any of the existing loaning institutions.

Mr. STEAGALL. In connection with the inquiry of the gentleman from North Carolina, I would like to say that the bill, as it passed the Senate, provided that these institutions be organized under the Crop Production Credit Association.

Mr. BLANCHARD. Will the gentleman yield for a brief question?

Mr. LUCE. I yield.

Mr. BLANCHARD. May I ask if the form of this proposal is modeled after any of the State laws on the same subject? For instance, Massachusetts and other States have excellent laws on credit unions. I am wondering whether this is an entirely new set-up or whether or not the proposal here contained is modeled after those excellent laws of the States?

Mr. LUCE. It is modeled after the better laws in the States. There is nothing novel, as far as I know, introduced.

Mr. KNUTSON. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. KNUTSON. Will this legislation take care of the small business concern?

Mr. LUCE. I do not think they join these unions. As far as I know, the memberships are all personal and individuals. For example, a man wants to start a barber shop and he is able to borrow enough money from the organization to buy a barber's chair. If a needlewoman wants a sewing machine, they loan her enough money to buy a sewing machine. If there is a serious illness or death, they loan money enough to pay the doctor or the funeral expenses.

These are the credit facilities to meet the needs of 100,000,000 people in the United States who do not use and cannot use banks, national, savings, or otherwise, for small borrowings.

Mr. KNUTSON. Will the gentleman yield further?

Mr. LUCE. Certainly.

Mr. KNUTSON. Will this legislation take care of small business men who have one or two clerks?

Mr. LUCE. I have no reason to believe that they cannot join the union and profit thereby, but these unions mostly make little loans—$25, $50, $75, and $100.

Mr. DOWELL. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. DOWELL. Is the interest rate fixed in this law?

Mr. LUCE. No. The interest rate is fixed by the associations themselves. Nobody makes any money out of these things.

Mr. DOWELL. That might be different in different localities, or will they be the same?

Mr. LUCE. I should suppose they would be different. Each union fixes its own rate.

Mr. DOWELL. Are there any limits of rates?

Mr. LUCE. The only limit is that resulting from the very nature of the business. If there were high charges, the institutions would not work.

Mr. DOWELL. But there is no maximum limit?

Mr. LUCE. No.

Mr. BULWINKLE. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. BULWINKLE. The interest rate would have to be governed by the State law?

Mr. LUCE. It would have to be governed by the State law wherever that might apply. There might be a different rate in a credit union in the Post Office Department and a credit union among telephone operators or a credit union among a group of farmers.

Mr. DOWELL. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. DOWELL. But the rate is fixed by the union itself?

Mr. LUCE. The rate is fixed by the union itself.

Mr. BULWINKLE. Will the gentleman yield further?

Mr. LUCE. I yield.

Mr. BULWINKLE. This rather takes the place of one of these industrial-loan banks?

Mr. LUCE. I am not familiar with those institutions.

Mr. FLETCHER. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. FLETCHER. Do they have to make a report to anybody?

Mr. LUCE. This division of the Department of Agriculture will supervise.

Mr. BECK. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. BECK. Under what grant of power is this legislation sought to be justified?

Mr. LUCE. In passing the law for the Federal building-and-loan associations we did the same thing, under, possibly, the power that we have in issuing national charters.

Mr. BECK. The power of incorporation for a Federal purpose, but I should like to know in connection with what Federal power the creation of these small boards is sought to be justified.

Mr. LUCE. The question has not confronted me before, and in the short time at my command I shall not attempt to answer.

I now yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

CREDIT UNION BANKS

Mr. PATMAN. Mr. Speaker, this bill comes before the House with the unanimous support of the Committee on Banking and Currency. I wish to commend the Committee on Banking and Currency for bringing this bill out. It is sponsored by Senator SHEPPARD, of Texas, in the Senate. This is his bill. I think it one of the most important and most meritorious bills we have had before us for consideration at this session of Congress. There are 2,200 credit unions in the Nation today. There are not so many credit unions in this country as there are in other countries. There are literally thousands of them in other countries. These are what are known as "baby banks." They serve a great need. Between two and three billion dollars' purchasing power each year is destroyed by reason of excessive interest rates that are paid. This bill is sponsored by public-spirited citizens in the interest of the poorest people of our Nation, one of whom not so long ago borrowed $30 from a loan office and actually paid back $1,080, and was then sued for the original $30.

This bill is opposed by loan sharks and shotgun loan offices. It serves a great need, as I said. Although we have 2,200 of them in the United States, I think the greatest tribute I can pay to the services of those in charge of these baby banks is that during the depression not a one of them failed. I again want to commend the Committee on Banking and Currency for bringing this very meritorious measure before us for consideration and passage. [Applause.]

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. STEAGALL. Mr. Speaker, I yield the balance of my time to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. LUCE. Mr. Speaker, I yield the balance of my time to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. GOLDSBOROUGH. Mr. Speaker, this is one bill about which no member of the Committee on Banking and Currency of the House had any doubt.

For almost 2 weeks we have been importuned to consider this credit-union bill, and we began to wonder whether there was anything wrong with it; but when we had our hearings the attitude of the witnesses was so evidently disinterested, so evidently humanitarian, that we had absolutely no doubt whatever about the fact that we ought to report this bill favorably.

I do not have to tell any Member of the House of the great distress that poor people have suffered throughout the ages from usury. Forty-two percent was an ordinary cost, and we had cases cited before us where as much as 600 percent had been charged.

Under this bill a group of any trade, or any profession, or the citizens of any town or village can submit a charter to the governing body for the formation of one of these credit unions. The officers of the union receive no pay for the services they perform. The charges made to the members are only enough to support the union. Loans can be made up to $50 without security. Over $50 there has to be security.

We made careful inquiry as to what would be the usual rate of interest to be paid in these credit unions and we were assured that it was never burdensome. We were also convinced that the loan shark never charges less than 42 percent.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. JOHNSON of Texas. In what way is the capital derived from which these loans are made?

Mr. GOLDSBOROUGH. By assessments upon the members, just as funds are raised in building-and-loan associations.

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

Mr. GOLDSBOROUGH. I yield with pleasure.

Mr. DOWELL. How far will this law eliminate these loan sharks?

Mr. GOLDSBOROUGH. The experience, of course, is that the sharks are eliminated in those communities where these unions exist.

Mr. DOWELL. And, of course, it is the purpose of this legislation to encourage these unions in all communities in order that the poor people may be able to get their loans at reasonable rates?

Mr. GOLDSBOROUGH. That is true; and, in addition, in States where the loan sharks have had considerable political

influence and have been in a position where they could make charters cost these people who wanted to form credit unions large sums, the people are by this act relieved of the necessity of obtaining State charters.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. O'CONNOR. What is the theory on which the Federal Government is to do this? What advantage does this proposed system have over the State credit unions?

Mr. GOLDSBOROUGH. These credit unions have been formed in 28 States; but they have not been able to get the legislatures of the other States to reduce charter charges so these unions could be formed; in these 17 States the charter charges have been so heavy, due to the political influence of the loan sharks in State legislatures, that the credit unions have been unable to operate to the best advantage of those who want to borrow money.

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

Mr. GOLDSBOROUGH. Yes; gladly.

Mr. STEAGALL. These organizations under Federal supervision will have a more advantageous position in undertaking to secure credit accommodations through rediscount and borrowings from other institutions.

Mr. GOLDSBOROUGH. That is correct.

Mr. Speaker, I yield back the balance of my time.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the passage of the bill.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 180, noes 2.

So the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

TOBACCO TAXES

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to file minority views on the bill (H.R. 9441), to reduce internal-revenue taxes on tobacco products.

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

There was no objection.

MEMORIAL ADDRESS

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a short oration, a memorial address by a former colleague, Mr. Pittenger.

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

There was no objection.

Mr. McGUGIN. Mr. Speaker, our former colleague, the Honorable William A. Pittenger, of Minnesota, is now deputy grand sire of the Independent Order of Odd Fellows. Following the custom of that lodge, he will in a few months be the grand sire, which is the chief executive officer, of that great fraternal order.

Recently Mr. Pittenger, as deputy grand sire of the I.O.O.F., delivered a most eloquent memorial address. While this address is of particular interest to members of the Independent Order of Odd Fellows, it is at the same time of interest to all of our people. This address of Deputy Grand Sire Pittenger is as follows:

Memorial Day will soon be with us, and the grand sire will so proclaim. Our lodges will hold appropriate exercises to honor the memory of those who have gone, never to return. Memorial Day is a day of reverence and of new resolutions. One of our past grand sires expressed the sentiment some years ago that the true test of the progress of civilization is to be found in the measure of the appreciation we have for our departed friends. If we love and honor them not, then failure of all that man has cherished will result. But if we recognize that the past is but a stepping stone to the future and that those who have fought the battles of life before us in order to make the world better are entitled to reverent consideration, then the future of mankind is bright with the promise of human betterment.

In Odd Fellowship we pay tribute each year to the departed, to the noble men and women who sleep in the silent city of the dead, but who builded for us a glorious fraternity. We honor their memory, and we glory in the fact that those who preceded us builded the temple of Odd Fellowship where friendship, love, and truth still assert their claims to the favorable consideration of all mankind. From their records we draw inspiration for the order which we must cherish and which claims from each and every one of us sacrifice and devotion. If we miss this sentiment, Memorial Day means nothing.

I have given some attention to my incomplete records of the order, covering the past 14 years. In all of them I find that Memorial Day is declared to be a part and parcel of the order. Its observance is requested. Our records chronicle the passing of our stalwart leaders. Perhaps it is a coincidence, but the last Journal that I checked and studied contained the proclamation of the first grand sire that I ever met. I learned to love and respect him. He has passed away. But his message 14 years ago, has a powerful appeal. He said:

"We have celebrated the closing of one century of Odd Fellowship and enter upon another with the confidence that follows successful effort. Many of our brethren were not permitted to come to this auspicious era in this fraternity. They stopped by the wayside, and the simple mounds tell the story of where they lie awaiting resurrection day. The book of life to them is closed, but the record they made lives after them, for 'The dead are sceptered sovereigns who still rule our spirits from their urns.'"

I join with this distinguished leader in his tribute to those who builded the temple of Odd Fellowship. I join with him in his hope that we who follow may be worthy to carry on the good work of the men and women who went about doing good and who left the world a better place than they found it.

Death is the most certain thing in the world. But the human race can never reconcile itself to this fact. No messages of hope or words of cheer, or assurances of immortality can ever make this incident in the journey of life one to be welcomed. Its terrors, of course, are removed, but grief never, by the hope of eternal life.

But Memorial Day loses its significance if we fail to recognize the great service of our departed friends, their virtues, and their work for posterity. We must build for them in our memories a monument of love and affection and veneration. Their lives must be for us an inspiration for good thoughts and good deeds for all mankind.

We as Odd Fellows should carry out the proclamation. We should observe the day with appropriate ceremonies. Proper programs should be arranged. They should not be filled with gloom and sadness. They should be inspirational in character. Every one of us has a loved one whose memory is sweet and dear. Every one of us can recall the friends of bygone days. But grief must not be the keynote of Memorial Day. We but respect the wishes of those who held their place in the world and who did their part, by following in their footsteps for humanity. We need the philosophy contained in these lines:

Death is in the world;
All that is born must die;
All things that we love and cherish
Like ourselves, must fade and perish;
Such is our rude mortal lot.

—

Oh! Why should the spirit of mortal be proud?
Like a swift-fleeting meteor, a fast-flying cloud,
A flash of the lightning, a break of the wave,
Man passes from life to his rest in the grave.

RESOLUTION ADOPTED BY STRIKE COMMITTEE

Mr. MONAGHAN of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution which the Butte, Anaconda, and Great Falls unions have asked me to insert in the CONGRESSIONAL RECORD.

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

There was no objection.

Mr. MONAGHAN of Montana. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution adopted by strike committee representing workers of the Anaconda Copper Mining Co.

BUTTE STATIONARY ENGINEERS' UNION, No. 83,
Butte, Mont., June 12, 1934.

Hon. JOSEPH P. MONAGHAN,
House of Representatives, Washington, D.C.

DEAR SIR: Enclosed is an original copy of a resolution adopted today by the general strike committee, representing all the crafts and unions involved in the general strike of all the A.C.M. employees in Butte, Anaconda, and Great Falls, and which is going forward by the same mail as this letter. Please give it careful consideration as representing the sentiments of the largest group

of voters in these counties, and if possible introduce it in your House of Congress and have it made part of the CONGRESSIONAL RECORD.

Respectfully yours,

-[SEAL]

REID ROBINSON,
Secretary, General Strike Committee.

JUNE 12, 1934.

To the Honorable FRANKLIN D. ROOSEVELT,
President of the United States, Washington, D.C.

DEAR SIR: Following is a resolution adopted by the general strike committee, representing all the workers formerly employed by the Anaconda Copper Mining Co., in Butte, Anaconda, and Great Falls, Mont.:

Whereas the Anaconda Copper Mining Co. did refuse to treat with its employees on the demands presented by them April 9, 1934; and

Whereas since the calling of the general strike of all its employees in Butte, Anaconda, and Great Falls, the Anaconda Copper Mining Co. has refused to consider the demands of its employees or to show any indication of considering said demands: Therefore be it

Resolved by the General Strike Committee, representing all the crafts and unions involved in said general strike, That we call upon Franklin D. Roosevelt, executive head of the Federal Government of these United States, to confiscate all the Montana properties of the said Anaconda Copper Mining Co. and operate the same for the benefit of the people of these United States; guaranteeing to the workers a 6-hour workday, a 30-hour workweek, good working conditions, and an American standard of living, thereby taking these workers off the relief rolls, where they are merely wards of the Government, and placing them on a self-respecting, self-supporting basis, the only basis of civil and economic liberty.

Thereby guaranteeing to the Government and people of these United States an adequate supply of copper and zinc so necessary to the national defense and making the Government and people independent of profiteering capitalists as a source of supply for this absolutely necessary material in such a vital national emergency as war.

In urging this upon the President, we wish to point out that this would not be a difficult problem, as the Montana properties of this company are, taken together, an independent producing unit with refined copper, refined zinc, sheet copper, and copper wire and cable as the final finished products of its plants.

We further point out that with the installation of a few comparatively inexpensive units, the Great Falls plant of this company could be made a producer and fabricator of brass, with a plentiful supply of both copper and zinc (the necessary raw materials for such products) in the Butte mines of this company.

We further urge that such confiscation would return to the people, through their Government, a valuable natural resource, which, by and of right, belongs to them.

Also that it would result in a vast saving of expense to both Federal and State Governments by removing from the relief rolls at least 15,000 workers and their dependents in the State of Montana.

Finally, we urge consideration of this fact: That it is only by the removal of the profit motive from production that we can have reemployment of all idle workers and an equitable and fair distribution of the products of their labor.

In view of this fact we can see no reasonable basis for a denial of this most reasonable demand.

EXTENSION OF REMARKS

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein several excerpts and two letters, not to exceed two pages in length.

Mr. WOLFENDEN. Mr. Speaker, I object.

THE RECORD AND PAST ACCOMPLISHMENTS OF A MEMBER OF CONGRESS FURNISH A FAIRLY RELIABLE YARDSTICK BY WHICH TO MEASURE THE CHARACTER OF SERVICE HIS CONSTITUENTS MAY EXPECT OF HIM IN THE FUTURE

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Missouri [Mr. LOZIER] may be allowed to extend his remarks in the RECORD and to include excerpts from remarks of his colleagues.

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

There was no objection.

Mr. LOZIER. Mr. Speaker, the second session of the Seventy-third Congress ends today. The terms of the 435 Members of the House end on January 4, 1935. Many of the Members desire to succeed themselves. I belong to that group, and as bearing on my candidacy and qualifications, I invite an examination of the record of my 12 years' service as a Member of the lower House of Congress. That record will conclusively demonstrate whether or not I have the capacity and qualifications to efficiently represent the great Second District, which is carved out of the heart of Missouri, with a population of nearly 300,000 intelligent, progressive, upstanding, forward-looking people. Men who serve in Congress make their own records. Some of these records are good, some just ordinary, and others indifferent. The influence and usefulness of a Member of Congress is in proportion to his industry, his personality, his mental equipment, his knowledge of economics and governmental problems, and his mastery of statecraft. The Congress of the United States is not a kindergarten, a grade school, town meeting, or a national convention. The record and past accomplishments of a Member furnish a fairly reliable yardstick by which to measure the character of service his constituents may expect of him in the future.

I am a Democrat. I am convinced that the principles and policies of the Democratic Party, when accurately interpreted and intelligently applied, will afford a greater solution of every governmental problem that now confronts the American people or that they may face at any time in the future.

The new deal sponsored by President Roosevelt and the Democratic Congress is not contrary to our scheme of representative Government, and does not violate the cardinal principles of the Democratic Party, but is a new application of century-old principles and policies to unprecedented, grave, and exceedingly complicated present-day conditions; and while the new deal may not afford an all-sufficient remedy for our economic, agricultural, and industrial ills, and while it must be materially amended in many of its essential details, its adoption was, in my opinion, absolutely necessary to avert national disaster, lift the pall of depression, and lead the American people back to prosperity and normal national life.

By unanimous consent of the House I am submitting herewith letters from Speaker RAINEY, Majority Leader BYRNS, Representative CROSSER, chairman of the Democratic steering committee, Representative WRIGHT PATMAN, Representative JOHN E. RANKIN, Chairman of the Committee on World War Veteran' Legislation, Representative MELL G. UNDERWOOD, Chairman of the Committee on Invalid Pensions, and Representative A. H. GASQUE, Chairman of the Committee on Pensions, all commendatory of my legislative activities. These letters are as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 1934.

Mr. HENRY F. WENDLETON,
Versailles, Mo.

MY DEAR MR. WENDLETON: I am in receipt of your letter with reference to the record of Congressman RALPH LOZIER from your district.

In reply, I desire to say that Congressman LOZIER is now finishing his sixth term as a Member of Congress from Missouri. He is serving now as Chairman of the important Committee on Census and also is a Member of three other committees. He is recognized as one of the leaders here in the House.

Out of 25 test votes selected by the speaker, Congressman LOZIER has voted always with the administration and in support of the House leadership, except on the votes which affected the World War soldiers, and in these matters he voted for the soldiers. This is not held against him, however. Many Democratic Members voted as he did on these propositions. His record is considered as among the very best.

His long service has earned for him a recognized place in the House of Representatives. He is regarded as one of the effective and able Members of that body. Congressman LOZIER is also one of the best speakers in the House.

Very truly yours, HENRY T. RAINEY.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 1934.

Mr. HENRY F. WENDLETON,
Versailles, Mo.

MY DEAR MR. WENDLETON: I have your letter of June 13 asking my opinion as to the ability and character of service rendered by your Congressman, Hon. RALPH F. LOZIER.

Mr. LOZIER is a very able and capable Member; he is studious and gives close attention to all pending legislation. He is an influential factor in the legislative affairs of the House. He is Chairman of the important Census Committee and holds a high place on several other committees. He has also been chosen as a member of the Democratic steering committee, which gives great weight to his advice and counsel.

Mr. LOZIER has advocated and supported all of the measures proposed by the President for the carrying out of this recovery program and enjoys the respect and confidence of all his colleagues.

Very sincerely yours, JOSEPH W. BYRNS.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 1934.

Mr. HENRY F. WENDLETON,
Versailles, Mo.

DEAR MR. WENDLETON: Your letter requesting my opinion of the Honorable RALPH F. LOZIER has been brought to my attention.

I have known Mr. LOZIER for some years, and during the present Congress my association with him has been unusually close for the reason that he has been a member of the House Democratic steering committee of which I am chairman.

I have no hesitation in saying that Mr. LOZIER is one of the most scholarly men of the House, and a man of real ability.

One of the principal reasons for my friendship and admiration for Ralph LOZIER is the fact that he is fundamentally democratic and not merely labeled Democrat in the party sense. He is very industrious and as I have already indicated is well informed. Mr. LOZIER'S heart is in sympathy with the every-day man and I am pleased to say that his record in regard to what is known as "labor legislation" is excellent.

Very truly yours,

ROBERT CROSSER.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 1934.

Dr. R. W. BOZWORTH,
Boonville, Mo.

DEAR DR. BOZWORTH: Replying to your inquiry relative to our mutual friend, Hon. RALPH F. LOZIER, I desire to say that I have served in the House with him for 12 years. During that time I have been a member of the Committee on World War Veterans' Legislation, of which I am now chairman.

I am familiar with every piece of veterans' legislation that has passed through Congress during those years, and with the attitude of every Member of Congress on legislation touching the welfare of veterans.

I want to say to you that Mr. LOZIER has been a consistent friend of the veterans, and to my certain knowledge has gone further in their support by far than the average Member of the House.

We have just passed the widows' and orphans' compensation bill—a measure granting compensation to the widows and orphans of the veterans of the World War who had direct service-connected disabilities, but who died of other causes. In my opinion, this is the most meritorious piece of legislation that has ever passed the American Congress. It brings relief to the desolate homes of more than 13,000 helpless dependents of men who suffered actual disabilities during the war. I am glad to say to you that this measure had Mr. LOZIER'S whole-hearted support. This alone is sufficient to commend him to the favorable consideration of every friend of the veterans of the World War.

If I can answer any more questions relative to Mr. LOZIER'S record, I shall be glad to do so.

Yours very truly,

J. E. RANKIN, *M.C.*

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 1934.

Dr. R. W. BOZWORTH, *Boonville, Mo.*

DEAR DR. BOZWORTH: No congressional district has a Congressman to represent them who stands higher in the confidence of his colleagues, and is as able, well informed, and influential as my good friend, RALPH F. LOZIER.

By reason of my interest in veterans' legislation, I am in position to know the attitude of the Membership toward veterans, and I am pleased to state that Mr. LOZIER is a sincere and consistent friend of the veterans of all wars and their dependents, and by his voice, vote, and wise counsel he has materially contributed to the enactment of legislation sponsored by the several veteran organizations. I have frequently sought his counsel in veteran legislation and always found his heart right, his judgment sound, and his advice dependable.

In June 1933 I served with Mr. LOZIER on a special veterans' committee appointed by the Democratic caucus to confer with President Roosevelt with a view of securing more allowances for veterans and a relaxation of the drastic regulation prescribed by the Veterans' Administration under the Economy Act. Largely through the initiative and efforts of that committee a compromise with the President was reached under which approximately $100,000,000 were added to veterans' allowances for the year 1933.

This compromise also restored to the pension rolls 36,000 widows of World War veterans without any reduction of their pensions.

No member of the committee did more than Mr. LOZIER in bringing about these desired results.

Yours very truly,

WRIGHT PATMAN.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 14, 1934.

Dr. R. W. BOZWORTH, *Boonville, Mo.*

DEAR DR. BOZWORTH: Replying to your letter of recent date, I will say that Hon. RALPH F. LOZIER is the ranking Democratic member of the Committee on Invalid Pensions of which I am chairman.

During his 10 or 12 years' service on that committee he has at all times shown a friendship for and sympathetic interest in veterans and their dependents, advocating a liberal pension policy, fair to the veterans and not unfair to the Government. He has probably obtained more pensions by special acts than any other Member of Congress.

As a member of a special veterans' committee appointed by the Democratic steering committee and caucus in 1933. Mr. LOZIER had an active part in negotiating a compromise with President Roosevelt by which approximately $100,000,000 was added to the veterans' allowances for the year 1933.

Mr. LOZIER is recognized as one of the best informed and most influential men in the House and is an eloquent, logical, and convincing speaker.

Yours very truly,

MELL G. UNDERWOOD,
Chairman, Committee on Invalid Pensions.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 1934.

Honorable RALPH LOZIER,
Washington, D.C.

MY DEAR COLLEAGUE:

Before leaving Congress I want to take this opportunity to express to you my appreciation of your consistent support of all pension legislation looking toward the care of the men who have made America possible.

In my 12 years with you in the House of Representatives we have never had a man who has been more consistent in his support of all legislation in behalf of the ex-soldiers of all wars. As Chairman of the Committee on Pensions I want to assure you of my appreciation of your help with regard to legislation of this nature.

With kindest regards, I am,

Respectfully, A. H. GASQUE, *M.C.*

HON. FRANK OLIVER

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

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

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I take this opportunity of paying my respects to one of our colleagues who is about to retire as a Member of this distinguished body to accept another honorable position as a judge of one of the courts in the great city of New York.

He has been a Member of Congress for 12 years, and during that time he has served not only his congressional district well but the entire country. I refer to my distinguished colleague from the Bronx, the Honorable FRANK OLIVER.

We will miss Frank's pleasant smile and congenial manner; at the same time I am happy to see him placed in a position that he is so qualified to fill. I know he will bring honor to the court over which he presides.

In conclusion, I want to congratulate my colleague and hope that in the near future he will be promoted to higher honors, which he so richly deserves. [Applause.]

INDUSTRIAL LOANS BY FEDERAL RESERVE BANKS

Mr. STEAGALL. Mr. Speaker, I submit the following conference report on the bill (S. 3487) relating to direct loans for indutrial purposes by Federal Reserve banks, and for other purposes, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The conference report and statement is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

"That the Federal Reserve Act, as amended, is amended by adding after section 13a thereof a new section reading as follows:

"'SEC. 13b. (a) In exceptional circumstances, when it appears to the satisfaction of a Federal Reserve bank that an established industrial or commercial business located in its district is unable to obtain requisite financial assistance on a reasonable basis from the usual sources, the Federal Reserve bank, pursuant to authority granted by the Federal

Reserve Board, may make loans to, or purchase obligations of, such business, or may make commitments with respect thereto, on a reasonable and sound basis, for the purpose of providing it with working capital, but no obligation shall be acquired or commitment made hereunder with a maturity exceeding 5 years.

"'(b) Each Federal Reserve bank shall also have power to discount for, or purchase from, any bank, trust company, mortgage company, credit corporation for industry, or other financing institution operating in its district, obligations having maturities not exceeding 5 years, entered into for the purpose of obtaining working capital for any such established industrial or commercial business; to make loans or advances direct to any such financing institution on the security of such obligations; and to make commitments with regard to such discount or purchase of obligations or with respect to such loans or advances on the security thereof, including commitments made in advance of the actual undertaking of such obligations. Each such financing institution shall obligate itself to the satisfaction of the Federal Reserve bank for at least 20 percent of any loss which may be sustained by such bank upon any of the obligations acquired from such financing institution, the existence and amount of any such loss to be determined in accordance with regulations of the Federal Reserve Board: *Provided,* That in lieu of such obligation against loss any such financing institution may advance at least 20 percent of such working capital for any established industrial or commercial business without obligating itself to the Federal Reserve bank against loss on the amount advanced by the Federal Reserve bank: *Provided, however,* That such advances by the financing institution and the Federal Reserve bank shall be considered as one advance, and repayment shall be made pro rata under such regulations as the Federal Reserve Board may prescribe.

"'(c) The aggregate amount of loans, advances, and commitments of the Federal Reserve banks outstanding under this section at any one time, plus the amount of purchases and discounts under this section held at the same time, shall not exceed the combined surplus of the Federal Reserve banks as of July 1, 1934, plus all amounts paid to the Federal Reserve banks by the Secretary of the Treasury under subsection (e) of this section, and all operations of the Federal Reserve banks under this section shall be subject to such regulations as the Federal Reserve Board may prescribe.

"'(d) For the purpose of aiding the Federal Reserve banks in carrying out the provisions of this section, there is hereby established in each Federal Reserve district an industrial advisory committee, to be appointed by the Federal Reserve bank subject to the approval and regulations of the Federal Reserve Board, and to be composed of not less than three nor more than five members as determined by the Federal Reserve Board. Each member of such committee shall be actively engaged in some industrial pursuit within the Federal Reserve district in which the committee is established, and each such member shall serve without compensation but shall be entitled to receive from the Federal Reserve bank of such district his necessary expenses while engaged in the business of the committee, or a per diem allowance in lieu thereof to be fixed by the Federal Reserve Board. Each application for any such loan, advance, purchase, discount, or commitment shall be submitted to the appropriate committee and, after an examination by it of the business with respect to which the application is made, the application shall be transmitted to the Federal Reserve bank, together with the recommendation of the committee.'

"(e) In order to enable the Federal Reserve banks to make the loans, discounts, advances, purchases, and commitments provided for in this section, the Secretary of the Treasury, upon the date this section takes effect, is authorized, under such rules and regulations as he shall prescribe, to pay to each Federal Reserve bank not to exceed such portion of the sum of $139,299,557 as may be represented by the par value of the holdings of each Federal Reserve bank of Federal Deposit Insurance Corporation stock, upon the execution by each Federal Reserve bank of its agreement (to be endorsed on the certificate of such stock) to hold such stock unencumbered and to pay to the United States all dividends, all payments on liquidation, and all other proceeds of such stock, for which dividends, payments, and proceeds the United States shall be secured by such stock itself up to the total amount paid to each Federal Reserve bank by the Secretary of the Treasury under this section. Each Federal Reserve bank, in addition, shall agree that, in the event such dividends, payments, and other proceeds in any calendar year do not aggregate 2 percent of the total payment made by the Secretary of the Treasury under this section, it will pay to the United States in such year such further amount, if any, up to 2 percent of the said total payment, as shall be covered by the net earnings of the bank for that year derived from the use of the sum so paid by the Secretary of the Treasury, and that for said amount so due the United States shall have a first claim against such earnings and stock, and further that it will continue such payments until the final liquidation of said stock by the Federal Deposit Insurance Corporation. The sum so paid to each Federal Reserve bank by the Secretary of the Treasury shall become a part of the surplus fund of such Federal Reserve bank within the meaning of this section. All amounts required to be expended by the Secretary of the Treasury in order to carry out the provisions of this section shall be paid out of the miscellaneous receipts of the Treasury created by the increment resulting from the reduction of the weight of the gold dollar under the President's proclamation of January 31, 1934; and there is hereby appropriated, out of such receipts, such sum as shall be required for such purpose.

"SEC. 2. Section 5202 of the Revised Statutes of the United States, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"'Tenth. Liabilities incurred under the provisions of section 13b of the Federal Reserve Act.'

"SEC. 3. Section 22 of the Federal Reserve Act is amended by adding at the end thereof the following new paragraphs:

"'(h) Whoever makes any material statement, knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of a Federal Reserve bank upon any application, commitment, advance, discount, purchase, or loan, or any extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 2 years, or both.

"'(i) Whoever, being connected in any capacity with a Federal Reserve bank (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it, or (2) with intent to defraud any Federal Reserve bank, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to a Federal Reserve bank, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, mortgage, judgment, or decree shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

"'(j) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States, insofar as applicable, are extended to apply to contracts or agreements of any Federal Reserve bank under this act, which, for the purposes hereof, shall be held to include advances, loans, discounts, purchase, and repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

"'(k) It shall be unlawful for any person to stipulate for or give or receive, or consent or agree to give or receive, any fee, commission, bonus, or thing of value for procuring or endeavoring to procure from any Federal Reserve bank any advance, loan, or extension of credit or discount or purchase of any obligation or commitment with respect thereto, either directly from such Federal Reserve bank or indirectly through any financing institution unless such fee,

commission, bonus, or thing of value and all material facts with respect to the arrangement or understanding therefor shall be disclosed in writing in the application or request for such advance, loan, extension of credit, discount, purchase, or commitment. Any violation of the provisions of this paragraph shall be punishable by imprisonment for not more than 1 year or by a fine of not exceeding $5,000, or both. If a director, officer, employee, or agent of any Federal Reserve bank shall knowingly violate this paragraph, he shall be held liable in his personal and individual capacity for any loss or damage sustained by such Federal Reserve bank in consequence of such violation.'

"SEC. 4. Section 10 of the Federal Reserve Act, as amended, is further amended by changing the period at the end of the third paragraph thereof to a comma and inserting thereafter the following: 'and such assessments may include amounts sufficient to provide for the acquisition by the Board in its own name of such site or building in the District of Columbia as in its judgment alone shall be necessary for the purpose of providing suitable and adequate quarters for the performance of its functions. After approving such plans, estimates, and specifications as it shall have caused to be prepared, the Board may, notwithstanding any other provision of law, cause to be constructed on the site so acquired by it a building suitable and adequate in its judgment for its purposes and proceed to take all such steps as it may deem necessary or appropriate in connection with the construction, equipment, and furnishing of such building. The Board may maintain, enlarge, or remodel any building so acquired or constructed and shall have sole control of such building and space therein.'

"SEC. 5. That the Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII., title 15, ch. 14), is amended by inserting before section 6 thereof the following new section:

"'SEC. 5d. For the purpose of maintaining and increasing the employment of labor, when credit at prevailing bank rates for the character of loans applied for is not otherwise available at banks, the Corporation is authorized and empowered to make loans to any industrial or commercial business, which shall include the fishing industry, established prior to January 1, 1934. Such loans shall in the opinion of the board of directors of the Corporation be adequately secured, may be made directly, or in cooperation with banks or other lending institutions, or by the purchase of participations, shall have maturities not to exceed 5 years, shall be made only when deemed to offer reasonable assurance of continued or increased employment of labor, shall be made only when, in the opinion of the board of directors of the Corporation, the borrower is solvent, shall not exceed $300,000,000 in aggregate amount at any one time outstanding, and shall be subject to such terms, conditions, and restrictions as the board of directors of the Corporation may determine. The aggregate amount of loans to any one borrower under this section shall not exceed $500,000.

"'The power to make loans given herein shall terminate on January 31, 1935, or on such earlier date as the President shall by proclamation fix; but no provision of law terminating any of the functions of the Corporation shall be construed to prohibit disbursement of funds on loans and commitments, or agreements to make loans, made under this section prior to January 31, 1935, or such earlier date.'

"SEC. 6. (a) Section 882 of the Revised Statutes (U.S.C., title 28, sec. 661) is amended to read as follows:

"'SEC. 882. (a) Copies of any books, records, papers, or other documents in any of the executive departments, or of any corporation all of the stock of which is beneficially owned by the United States, either directly or indirectly, shall be admitted in evidence equally with the originals thereof, when duly authenticated under the seal of such department or corporation, respectively.

"'(b) Books or records of account in whatever form, and minutes (or portions thereof) of proceedings, of any such executive department or corporation, or copies of such books, records, or minutes authenticated under the seal of such department or corporation, shall be admissible as evidence of any act, transaction, occurrence, or event as a memorandum of which such books, records, or minutes were kept or made.

"'(c) The seal of any such executive department or corporation shall be judicially noticed.'

"(b) Section 4 of the Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, sec. 604), is amended by inserting immediately before the semicolon following the words 'corporate seal' a comma and the words 'which shall be judicially noticed.'

"SEC. 7. Section 1001 of the Revised Statutes, as amended (U.S.C., title 28, sec. 870), is amended by inserting immediately after the word 'Government' the following: 'or any corporation all the stock of which is beneficially owned by the United States, either directly or indirectly.'

"SEC. 8. The Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, ch. 14), is further amended by inserting after section 5a thereof the following new section:

"'SEC. 5b. Notwithstanding any other provision of law—

"'(1) The maturity of drafts or bills of exchange which may be accepted by the Corporation under section 5a of this act, and the period for which the Corporation may make loans or advances under sections 201 (c) and 201 (d) of the Emergency Relief and Construction Act of 1932, as amended, and under section 5 of this act, may be 5 years, or any shorter period, from February 1, 1935: *Provided*, That in respect of loans or advances under such section 5 to railroads, railways, and receivers or trustees thereof, the Corporation may require as a condition of making any such loan or advance for a period longer than 3 years that such arrangements be made for the reduction or amortization of the indebtedness of the railroad or railway, either in whole or in part, as may be approved by the Corporation after the prior approval of the Interstate Commerce Commission.

"'(2) The Corporation may at any time, or from time to time, extend, or consent to the extension of, the time of payment of any loan or advance made by it, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond 5 years from February 1, 1935: *Provided*, That the time of payment of loans or advances to railroads, railways, and receivers or trustees thereof, shall not be so extended except with the prior approval of the Interstate Commerce Commission, and, in the case of a loan to a railroad or railway, with the prior certification of the Interstate Commerce Commission that the railroad or railway is not in need of financial reorganization in the public interest.

"'(3) In connection with the reorganization under section 77 of the Federal Bankruptcy Act, approved July 1, 1898, as amended, or with receivership proceedings in a court or courts, of any railroad or railway indebted to the Corporation, or of any railroad or railway the receivers or trustees of which are indebted to the Corporation, the Corporation may, with the prior approval of the Interstate Commerce Commission, adjust or compromise its claim against such railroad or railway, or any such receiver or trustee, by accepting, in connection with any such reorganization or receivership proceedings and in exchange for securities or any part thereof then held, new securities which may have such terms as to interest, maturity, and otherwise as may be approved by the Corporation, or part cash and part new securities so approved: *Provided*, That any such adjustment or compromise shall not be made on less favorable terms than those provided in the reorganization of the railroad or railway for holders of claims of the same class and rank as the claim of the Corporation.'

"SEC. 9. Section 301 of the National Industrial Recovery Act (U.S.C., supp. VII, title 40, sec. 412) is amended by inserting before the period at the end thereof a colon and the following: '*Provided further*, That in connection with any loan or contract or any commitment to make a loan entered into by the Reconstruction Finance Corporation prior to June 26, 1933, to aid in financing part or all of the construction cost of projects pursuant to section 201 (a) (1) of the Emergency Relief and Construction Act of 1932, as amended, the Corporation may make such further loans and

contracts for the completion of any such project, or for improvements, additions, extensions, or equipment which are necessary or desirable for the proper functioning of any such project, or which will materially increase the assurance that the borrower will be able to repay the entire investment of the Corporation in such project, including such improvements, additions, extensions, or equipment; and the Corporation may disburse funds to the borrower thereunder, at any time prior to January 23, 1939, notwithstanding any provisions to the contrary contained in this section or in section 201 (h) of the Emergency Relief and Construction Act of 1932, as amended: *Provided further*, That any such further loans shall be made subject to all the terms and conditions set forth in the Emergency Relief and Construction Act of 1932, as amended, with respect to the loans authorized by section 201 (a) (1) of said act.'

"SEC. 10. Notwithstanding any limitations on its power, the Reconstruction Finance Corporation, upon request of any borrower under section 201 (a) of the Emergency Relief and Construction Act of 1932, as amended, may adjust the maturities of any obligations of such borrower now held by it, or hereafter acquired by it under lawful commitments, to such periods as may in the discretion of the Reconstruction Corporation be proper, but such adjustment shall not extend any such maturity to more than 20 years from the advancing of the sum or sums evidenced thereby.

"SEC. 11. Section 36 of the Emergency Farm Mortgage Act of 1933, as amended (U.S.C., supp. VII, title 43, sec. 403), is amended as follows:

"(1) By striking from the first sentence thereof '$50,000,000 to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts', and inserting in lieu thereof '$125,000,000 to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts, mutual nonprofit companies and incorporated water users' associations.'

"(2) By striking from the second sentence thereof 'district or political subdivision' and inserting in lieu thereof 'district, political subdivision, company, or association.'

"(3) By amending clause (4) thereof to read as follows:

"'(4) the borrower shall agree, insofar as it may lawfully do so, that so long as any part of such loan shall remain unpaid the borrower will in each year apply to the repayment of such loan or to the purchase or redemption of the obligations issued to evidence such loan, an amount equal to the amount by which the assessments, taxes, and other charges collected by it exceed (a) the cost of operation and maintenance of the project, (b) the debt charges on its outstanding obligations, and (c) provision for such reasonable reserves as may be approved by the corporation; and.'

"(4) By adding at the end thereof the following new paragraph:

"'When any loan is authorized pursuant to the provisions of this section and it shall then or thereafter appear that repairs and necessary extensions or improvements to the project of such district, political subdivision, company, or association are necessary or desirable for the proper functioning of its project or for the further assurance of its ability to repay such loan, and if it shall also appear that such repairs and necessary extensions or improvements are not designed to bring new lands into production, the Corporation, within the limitation as to total amount provided in this section, may make an additional loan or loans to such district, political subdivision, company, or association for such purpose or purposes. When application therefor shall have been made by any such district, political subdivision, company, or association any loan authorized by this section may be made either to such district, political subdivision, company, or association or to the holders or representatives of the holders of their existing indebtedness, and such loans may be made upon promissory notes collateraled by the obligations of such district, political subdivision, company, or association or through the purchase of securities issued or to be issued by such district, political subdivision, company, or association.'

"SEC. 12. (a) Sections 2 and 3 of the act entitled "An act to authorize the Reconstruction Finance Corporation to subscribe for preferred stock and purchase the capital notes of insurance companies, and for other purposes", approved June 10, 1933, as amended (U.S.C., supp. VII, title 15, secs. 605f and 605g), are amended to read as follows:

"'SEC. 2. In the event that any such insurance company shall be incorporated under the laws of any State which does not permit it to issue preferred stock, exempt from assessment or additional liability, or if such laws permit such issue of preferred stock only by unanimous consent of stockholders, or upon notice of more than twenty days, or if the insurance company is a mutual organization without capital stock, the Reconstruction Finance Corporation is authorized for the purposes of this act to purchase the legally issued capital notes of such insurance company, or, if the company is a mutual organization without capital stock, such other form or forms of indebtedness as the laws of the State under which such company is organized permit, or to make loans secured by such notes or such other form or forms of indebtedness as collateral, which may be subordinated in whole or in part or to any degree to claims of other creditors.

"'SEC. 3. The Reconstruction Finance Corporation shall not subscribe for or purchase any preferred stock or capital notes of any applicant insurance company, (1) until the applicant shows to the satisfaction of the Corporation that it has unimpaired capital, or that it will furnish new capital which will be subordinate to the preferred stock or capital notes to be subscribed for or purchased by the Corporation, equal to the amount of said preferred stock or capital notes so subscribed for or purchased by the Corporation: *Provided*, That the Corporation may make loans upon said preferred stock or capital notes, or other form or forms of indebtedness permitted by the laws of the State under which said applicant is organized, if, in its opinion, such loans will be adequately secured by said stock or capital notes or other form or forms of indebtedness and/or such other forms of security as the Corporation may require, (2) if at the time of such subscription, purchase, or loan any officer, director, or employee of the applicant is receiving total compensation in a sum in excess of $17,500 per annum from the applicant and/or any of its affiliates, and (3) unless at such time, the insurance company agrees to the satisfaction of the Corporation that while any part of the preferred stock, notes, bonds, or debentures (or, in the case of a mutual insurance company, other form or forms of indebtedness permitted by the laws of the State under which the company is organized) of such insurance company is held by the Corporation, the insurance company, except with the consent of the Corporation, will not (a) increase the compensation received by any of its officers, directors, or employees from the insurance company and/or any of its affiliates, and in no event increase any such compensation to an amount exceeding $17,500 per annum, or (b) retire any of its stock, notes, bonds, debentures, or other forms of indebtedness issued for capital purposes. For the purposes of this section, the term "compensation" includes any salary, fee, bonus, commission or other payment, direct or indirect, in money or otherwise for personal services.' "

"(b) Section 11 of such act of June 10, 1933, as amended (U.S.C., supp. VII, title 15, sec. 605i), is amended by adding at the end thereof the following new sentence: 'As used in this section and in sections 1, 2, and 3 of this act, the term "State" means any State, Territory, or possession of the United States, the Canal Zone, and the District of Columbia.'

"SEC. 13. The Reconstruction Finance Corporation is authorized and empowered to make loans upon full and adequate security, based on mineral acreage, to recognized and established incorporated managing agencies of farmers' cooperative mineral rights pools not engaged in drilling or mining operations, said loans to be made for the purpose of defraying the cost of organizing such pools.

"SEC. 14. The Reconstruction Finance Corporation is authorized and empowered to make loans upon adequate security, based on mineral acreage to recognized and established incorporated agencies, individuals, and partnerships

engaged in the business of mining, milling, or smelting of ores.

"SEC. 15. The Corporation is authorized and empowered to make loans under section 5 of the Reconstruction Finance Corporation Act, as amended, to any person, association, or corporation organized under the laws of any State, the District of Columbia, Alaska, Hawaii, or Puerto Rico, for the purpose of financing the production, storage, handling, packing, processing, carrying, and/or orderly marketing of fish of American fisheries and/or products thereof upon the same terms and conditions, and subject to the same limitations, as are applicable in case of loans made under said section 5, as amended.

"SEC. 16. The Reconstruction Finance Corporation is hereby authorized and empowered to make loans at any time prior to January 31, 1935, out of the funds of the Corporation upon full and adequate security, to public-school districts or other similar public-school authorities organized pursuant to State law, for the purpose of payment of teachers' salaries due prior to June 1, 1934: *Provided*, That the aggregate amount of such loans at any time outstanding shall not exceed $75,000,000."

And the House agree to the same.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ANNING S. PRALL,
ROBERT LUCE,
Managers on the part of the House.

CARTER GLASS,
ROBERT F. WAGNER,
ALBAN W. BARKLEY,
JOHN G. TOWNSEND, Jr.,
F. C. WALCOTT,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment contained a provision amending the Reconstruction Finance Corporation Act to authorize the establishment or utilization by the corporation of export or import trading and banking corporations, in which the United States shall own the entire beneficial interest, and to authorize the corporation to subscribe for and purchase the stock and obligations of such corporations, for the purpose of aiding in financing exports and imports between the United States and other nations. The bill as agreed to in conference eliminates this provision.

Section 6 of the Senate bill, which authorized direct loans to industry to be made by the Reconstruction Finance Corporation, limited the aggregate amount of loans to any one borrower to the sum of $1,000,000. Section 13 of the House amendment provided an aggregate limitation of $100,000. The conference agreement (sec. 5) fixes the amount at $500,000.

Section 2 of the Senate bill provided with respect to direct loans to industry by the Federal Reserve banks, that the Secretary of the Treasury should pay to the Federal Reserve banks the sum of $139,299,557 for the purpose of aiding in the making of such loans, such amount to be paid back to the Treasury by the Federal Reserve banks at a rate of at least 1 percent per annum. The House amendment, while it authorized the loans to industry by the Federal Reserve banks, made no such provision. The bill as agreed to in conference (sec. 1) carries into the new section 13b added to the Federal Reserve act by the bill a provision which authorizes, but does not direct, the payment of not to exceed an identical sum to the Federal Reserve banks which is to be returned to the Treasury at a rate of not less than 2 percent per annum.

Section 5 of the Senate bill contained a provision permitting the Federal Reserve Board to construct, equip, and furnish a building to provide suitable and adequate quarters for the performance of its functions. The House amendment contained no such provision. The bill as agreed to in conference (sec. 4) contains this provision.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ANNING S. PRALL,
ROBERT LUCE,
Managers on the part of the House.

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

Mr. STEAGALL. 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 Alabama?

There was no objection.

The Clerk read the statement.

Mr. STEAGALL. Mr. Speaker, this is the conference report on the industrial loans bill. The report embodies a compromise of the views of the two Houses as expressed in conference and in the measure passed by the two bodies.

The House yielded on the provision for loans by the Federal Reserve banks in that we agreed to accept with amendments the Senate provision which authorized direct loans to industry and provided for advancement by the Treasury to the Federal Reserve banks of an amount equal to the surplus of each of the Federal Reserve banks, representing the amounts subscribed by each of the Federal Reserve banks to the capital stock of the Federal Deposit Insurance Corporation. Under the provision embodied in the Senate bill and accepted in conference, the Federal Reserve banks would hold their investment in the capital stock of the Federal Deposit Insurance Corporation as security for the advancements made by the Treasury for making industrial loans. These advancements by the Secretary of the Treasury are to be made under rules and regulations prescribed by him, and the provision of the Senate bill which required the Secretary of the Treasury to make such advances was changed so that as the measure is reported to the House, the Secretary of the Treasury is simply authorized to make such advances.

Under an amendment agreed to, the Secretary of the Treasury would make advances not to exceed the amount of the capital in the Federal Deposit Insurance Corporation held by each of the Federal Reserve banks, so that the Secretary of the Treasury has complete discretion. The latter is entirely permissive so far as the making of the loans is concerned, and they will be made under rules and regulations prescribed by the Secretary of the Treasury.

The Federal Reserve banks would be required to reimburse the Treasury by the payment of any dividends and earnings on stock held by Federal Reserve banks in the Federal Deposit Insurance Corporation supplemented by earnings on the sums advanced by the Treasury.

Under the House bill the Reconstruction Finance Corporation is authorized to make loans upon sound and reasonable security for industrial and commercial purposes, with a proviso that not more than $300,000,000 may be loaned for such purposes at any one time. The Senate bill provided a limit of $250,000,000. The Senate yielded and the House provision fixing the limit at $300,000,000, instead of $250,000,000, was adopted. Under the House bill the maximum individual loan to be authorized by the Reconstruction Finance Corporation would be $100,000. The Senate bill provided a maximum loan in each individual case not to exceed $1,000,000. The conferees agreed upon $500,000 as the maximum individual loan.

We struck from the bill or eliminated a provision authorizing the Reconstruction Finance Corporation to establish export banks. It will be remembered that we have two such institutions in existence at the present time, and it is contemplated that another may be established. The funds have been supplied under existing law. We were advised that

there would not be any termination of those activities by reason of the elimination from the bill of that provision.

Mr. Speaker, these represent in brief the changes made in the conference, and the departure from the provisions of the House bill.

Mr. KOPPLEMANN. Will the gentleman yield?

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

Mr. KOPPLEMANN. I note with interest the agreement between the conferees on the change from $100,000 as provided in the House bill originally and $1,000,000 as provided in the Senate bill, this being changed to $500,000 as a maximum loan. The question I desire to propound to the distinguished chairman of the committee is, Will there be sufficient money under that circumstance of increasing the maximum loan to permit the Reconstruction Finance Corporation and the Federal Reserve banks to make loans to those who are in need of them and who deserve consideration?

Mr. STEAGALL. I will say to the gentleman from Connecticut that I appreciate his interest in this legislation. He has labored industriously and steadfastly throughout this session of the Congress for the passage of this measure and a large share of the credit should go to him for the success that has crowned the efforts of the Banking and Currency Committee to secure this legislation.

I will say to the gentleman from Connecticut [Mr. KOPPLEMANN] that the President of the Reconstruction Finance Corporation Board testified before our committee that with the amounts supplied in this bill he would be able amply to take care of the demands upon the Reconstruction Finance Corporation for loans from now until the time of the expiration of his authority on the 31st day of January 1935. We were also advised that there would not be more than two or three instances—or at least no more than that were called to our attention—in which the maximum loan of $500,000 would not take care of the requirements of any application and of any situation that would be presented to the Reconstruction Finance Corporation Board.

Mr. KOPPLEMANN. I thank the gentleman for the information and want to express to the chairman of our committee appreciation for the tremendous amount of work put in by him and his colleagues on the conference committee, who for considerably over a week labored to bring this legislation into the House in order that it might become law before this Congress adjourned.

Mr. STEAGALL. I may say to my friend we have certainly labored industriously and faithfully.

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

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

Mr. WHITTINGTON. What is the amount carried in the bill for refinancing drainage and irrigation districts?

Mr. STEAGALL. Seventy-five million dollars. There is no change in the House bill in that respect.

Mr. WHITTINGTON. Is there any change in the provisions of section 13 of the House bill with respect to loans to business and industry?

Mr. STEAGALL. There is not, and I have called attention to the amounts.

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

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

Mr. COLMER. In the bill as finally agreed upon, is adequate provision made for the refinancing of outstanding indebtedness by these industrial corporations?

Mr. STEAGALL. Of course, it would require more complete information than I have to say it is adequate for such far reaching refinancing. I have stated that the Chairman of the Reconstruction Finance Corporation Board testified that with the funds supplied in this bill he would be able to care amply for the demands on the Corporation.

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

Mr. STEAGALL. I yield.

Mr. CARTER of California. I want to ask the gentleman from Alabama whether or not sections 4 and 5 of the House bill, which are amendments to the National Recovery Act and, particularly, the Reconstruction Finance Corporation Act, were retained?

Mr. STEAGALL. They are retained.

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

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

Mr. LUDLOW. Will the chairman of the committee state how much money under this bill is available for loans to industry?

Mr. STEAGALL. Under this bill the Reconstruction Finance Corporation would be permitted to lend as much as $300,000,000 and the Federal Reserve banks would be authorized to employ the amount of their surplus, plus a like amount to be furnished by the Treasury, which at this time would equal approximately $280,000,000. I may say to the gentleman that the service that may be rendered to industry under this bill is not accurately indicated by the specific amount of advances authorized, for the reason that the funds of these two lending agencies would be in the nature of revolving funds.

Mr. LUDLOW. I think this is one of the most important bills that has come before the Congress, and I believe I am one of the pioneers in proposing this sort of legislation. On the opening day of the present session, I introduced the first bill on this subject. May I ask this further question: Is the amount the gentleman speaks of as being available a fixed sum or is it replenished in the future?

Mr. STEAGALL. The provision in each instance is the amount that may be outstanding at any time; that is to say, the Reconstruction Finance Corporation would have a revolving fund of $300,000,000 available for these loans and the Federal Reserve Banks would have a revolving fund amounting to their surplus, supplemented by an equal amount advanced by the Treasury, which at this time is approximately $280,000,000 and which, of course, will be a greater amount as it will be increased from time to time. But at this time it is $280,000,000.

Mr. BULWINKLE. Is there a limit upon any one loan, and what is the amount?

Mr. STEAGALL. The maximum limitation by the Reconstruction Finance Corporation is $500,000.

Mr. LUDLOW. The ultimate amount may be much more than the amounts the gentleman has referred to.

Mr. STEAGALL. I thought I had made that clear. I undertook to make a statement to that effect.

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

Mr. STEAGALL. I yield.

Mr. RICH. If an industry wishes to negotiate a loan under this act, what procedure must it go through in order to secure the loan?

Mr. STEAGALL. It would apply through regular channels, and if it did not obtain the money it would apply to the Federal Reserve banks, and if the Federal Reserve bank did not make the loan, the application would then go to the Reconstruction Finance Corporation, which in this case would be in the nature of an appellate court for loans, where applications might be reviewed and reconsidered.

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

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

Mr. SABATH. I have no reason to question the correctness of a report which came to me a few moments ago that the House conferees have succeeded in convincing the Senate conferees of the righteousness of the House amendment providing for $75,000,000 in loans that could be received for school purposes.

Mr. STEAGALL. The gentleman is correct. The item was retained.

Mr. Speaker, I yield 10 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BEEDY. The Clerk in reading the conference report, said it was signed by the managers on the part of the House. May I ask whether my name appears on the conference report?

Mr. STEAGALL. Mr. Speaker, I may have made an inaccurate statement when I said that the conference report was signed by all the managers. The gentleman from Maine did not sign the conference report.

The SPEAKER. The name of the gentleman from Maine does not appear on the conference report as one of the managers.

Mr. BEEDY. I want the House to know something about this matter, because it is very important. If you adopt this conference report you will embark upon a most novel and unprecedented course.

Some of you will recollect that in the original discussion of this bill in the House I said that I regretted the provision with reference to the 12 central banks which authorized them to make direct loans to industry. We voted, however, in the House, not to give the Federal Reserve banks the $139,000,000 from the Treasury, as provided in the Senate bill. And because the Governor of the Board had made it clear that unless that sum of money was advanced to the 12 banks in question they could not make direct loans, it was very clear that any direct lendings to industry must be made by the Reconstruction Finance Corporation. The bill was originally designed to meet an emergency, and not to establish a permanent loaning policy.

The Reconstruction Finance Corporation is an emergency institution. I was content to vote for the bill which gave power to the emergency Reconstruction Finance Corporation temporarily to make whatever loans seemed necessary in the emergency.

Now, mark you this: These 12 banks were designed for two purposes; one to rediscount commercial paper for member banks, never to do business with individuals or persons; and, secondly, they were designed to supply currency to the banks for commerce, industry, and agriculture.

When the House conferees reversed the decision of this House and gave authority to take $140,000,000 out of the Treasury of the United States and turn it over to these 12 banks to be loaned directly to industry, I believe they thereby took a decided step toward destroying the character of the Reserve banks. I therefore decided that I could not go along with the House conferees. I will not make myself a party to the perversion, the subversion, and seduction of these 12 great central banks.

I begged the conferees to put a limitation on this power which they proposed to give the Reserve banks. I asked them to grant it, if at all, on the theory that this is emergency legislation. I said, "If you must give these banks power, let it terminate January 1, 1936." Their answer was, "No." As the bill now comes from conference the power to make direct loans to industry by the Federal Reserve banks is made permanent. And I want this House to understand that for the sake of my own self-respect, for the sake of the concern I have for this great banking system, and the desire which I have to preserve its integrity and its capacity to serve commerce, agriculture, and industry, as originally designed, I cannot vote to take $140,000,000 out of the Treasury and put it into the banks and turn these great banks of issue and rediscount into lending agencies for all time. Therefore, Mr. Speaker, I did not sign this report.

You gentleman may vote for this conference report if you will, and you will, because it is the desire of the President that you do so. You may vote to confirm and approve this conference report, but it is but another step toward breaking down the institutions which have been builded with great care and with concern for the future; it is but another step in the direction of disintegration and upheaval of established institutions and the destruction of our entire economic fabric. I raise my feeble voice here in this commotion, in this hour of the Nation's crisis, when the Congress shuts its eyes and votes blindly when commanded to do so by the President. I know that I shall avail myself and my country nothing, but, Mr. Speaker, I shall keep the record clean and some day, pray God, somebody may read this record and understand that there were those who were fighting to save the institutions of this Nation, to keep intact the great economic structure of our people, and preserve the integrity of the very Government itself.

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

Mr. BEEDY. Yes.

Mr. MAY. As I understand the gentleman's statement, the 12 Federal Reserve banks are to be put into the business of competing and making loans to private industry with the member banks they were designed to serve. Is that the idea?

Mr. BEEDY. That is it, and I call attention to another thing, and I would like the Members of the House to understand this. The Reconstruction Finance Corporation, a great emergency institution, set up for the purpose of coming to the relief of industry with loans, will, in my opinion, never be able to make any loans under this bill, because, if you read its terms, you will see that before industry can ever get to that Corporation for a loan it must prove it has not been able to get loans from any banks. By this provision power to exercise an emergency function is taken from an emergency institution and turned over to banks of issue, and as a matter of permanent banking policy authorizes them to deal directly with individual borrowers rather than with banks.

Mr. MAY. What is the reason for authorizing the Federal Reserve banks that are not within themselves direct dealers in making loans to industry and individuals, when we have the Reconstruction Finance Corporation for that purpose?

Mr. BEEDY. The gentleman ought to have the facts, and I would give them to him, but I am unable to stem this tide of confusion and make myself heard. I may say this. The claim was that private bankers are failing in their duty to the industries of the Nation; that they are refusing to make loans; and that if there was a threat hanging over them that, upon their continued refusal, the Federal Reserve banks would make the loans, it might pry loose moneys from these banks for the benefit of industry; but the gentleman and I know that the reason for the failure of these banks to make loans to industry is not through any unwillingness on their part. They are indeed eager to make good loans and increase their income. They are now forced to buy short-term Government securities and realize two and a fraction percent when they are eager to get good loans yielding 6 percent. But there are no values left in the country on which to loan; and until the price level goes up, confidence is restored, and business activities are increased, few loans can be made with safety. That is the danger of taking money out of the Treasury, passing it over to these Federal Reserve banks, and inducing them to throw it into channels of trade on an uncertain loaning basis.

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

Mr. BEEDY. Mr. Speaker, for the accommodation of Members who wish to ask questions, will the chairman of the committee yield me 5 minutes more?

Mr. STEAGALL. I yield 5 minutes more to the gentleman from Maine.

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

Mr. BEEDY. Yes.

Mr. KVALE. Is it not true, I will ask the gentleman from Maine, a well-informed Member, that from the White House, the Treasury Department, the Federal Reserve Board, and down, these smaller banks have been urged and urged to make loans to industry, and have not done so?

Mr. BEEDY. That is true.

Mr. MAY. The Federal Reserve banks get their money on which to do business by assessment of certain percents on the different kinds of deposits of the member banks. If they are authorized to take this fund out of the United States Treasury and loan it in competition with the money that they get direct from their member banks, which encouragement will that be to member banks to continue to loan or to make new loans?

Mr. BEEDY. I cannot see how it is going to do other than discourage wise banking by member banks. Whenever you

take Government moneys and set up Government institutions, finance them with the people's money and put them into the field of industry, you are retarding the day of normal business recovery. We are never going to get anywhere following that road.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. KELLY of Pennsylvania. Many Members of the House introduced bills providing for loans by the Reconstruction Finance Corporation. Does the gentleman mean to say that under this bill hard-pressed business in this country has little hope of receiving direct loans through the Reconstruction Finance Corporation?

Mr. BEEDY. In my opinion, since they must, under the terms of this bill, furnish proof that they have been to every banking institution within reasonable radius and are unable to receive accommodation there, they will be refused loans by the Reconstruction Finance Corporation. If the loans are any good at all they will have to be made by banks. Prospective borrowers will never get to this great emergency corporation, in my opinion, unless their loans are so poor that no bank should ever make them.

Mr. KELLY of Pennsylvania. That will be a very great disappointment to many business men in this country.

Mr. BEEDY. Very great. If all these loans could be made through this temporary emergency corporation—the Reconstruction Finance Corporation—all the loans would be made on adequate security, and ultimately the institution will be liquidated and the money will be paid back into the Treasury. Under the Federal Reserve provisions of this bill the $140,000,000 may come back, but not within 50 years by the terms of this bill.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. TAYLOR of Tennessee. The theory is that the Reconstruction Finance Corporation will make loans on less satisfactory collateral than that taken by a bank?

Mr. BEEDY. The Reconstruction Finance Corporation can only make them on adequate security. Under the phraseology of this bill, the Federal Reserve banks may make them on sound and reasonable security. Now, if the gentleman can figure that out, he can define a distinction without a difference.

Mr. BOILEAU. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. BOILEAU. The bill as we originally passed it in the House carired a provision for the bank pay-off.

Mr. BEEDY. No. That was another bill. That was a bill extending the temporary provisions of deposit insurance.

Mr. LUDLOW. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. LUDLOW. Without challenging the good faith of the banks or their willingness to make loans, is it not true that the banking system of this country has broken down and is not functioning? Is that not true? The gentleman knows I have great respect for his judgment, and I should like to know if it is not true that the banking system is not functioning. What does he think about that?

Mr. BEEDY. The banking system has not broken down. The banks are overliquid with money. They are eager to make loans, but values both in the security market and in the produce markets are so low, and anybody who has anything of value has borrowed so to the limit that there are few outstanding safe loans in which any bank can risk its money.

Mr. LUDLOW. The banks are not functioning, and industries are starving for working capital.

The SPEAKER. The time of the gentleman from Maine [Mr. BEEDY] has expired.

Mr. STEAGALL. Mr. Speaker, I yield 10 minutes to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. GOLDSBOROUGH. Mr. Speaker, we have had great difficulty in reaching an agreement in this conference. As you know, the Senate put a provision in the bill whereby the Federal Reserve banks were given $140,000,000 on the faith that they would reloan the money to industry. The House struck that $140,000,000 from the bill. Then we went into conference and have been working on the matter for the best part of a week. Today we went into conference at half past 10 and came out at 6 o'clock. At first we proposed to the Senate to strike the Federal Reserve banks out of the bill, that is, their power to loan direct. They would not agree to that. Then we proposed that the Treasury should advance to the Federal Reserve banks money as it was needed to actually make loans. That is, that the Federal Reserve banks should not get the money until they were ready to make the loans, and that when the loans were paid off, the proceeds should be returned to the Treasury, and the Senate refused to accept that.

Then we proposed that the Treasury should advance one-half of every loan made by the Federal Reserve banks, and that when the loans were collected, one-half should be paid to the Treasury and the other half should be retained by the Federal Reserve banks. But the Senate refused that.

You understand thoroughly the tremendous pressure brought upon the House conferees from the very highest sources, to report this conference, but we absolutely refused. [Applause.] We absolutely refused to turn over $140,000,000 of the people's money to the Federal Reserve banks for them to loan or not as they pleased. [Applause.] That we would not do under any circumstances. So we reached this agreement: In the first place, the Secretary of the Treasury was, under the Senate bill, authorized and directed to turn over $140,000,000 to the Federal Reserve banks, which they should loan or not as they saw fit. If they loaned it or made a profit, the profit should go into the Treasury, but if they saw fit not to loan it at all, they kept it for all time.

They could have invested the money, the whole $140,000,000, in Government banks and got proceeds of from 3 percent to 4 percent, and then turned back to the Treasury only 1 percent. That was the Senate bill.

Under this agreement the amortization of 1 percent is increased to 2 percent. The Secretary of the Treasury is not directed to turn one dollar over to them; he is authorized to do it under such rules and regulations as he himself may prescribe when they actually make loans. Now, this is the very best we could get; and we finally agreed to it upon the advice of the administration itself. We have done the very best we could in a tremendously difficult situation.

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

Mr. GOLDSBOROUGH. I yield.

Mr. RICH. Should there be a loss on a loan that is made through the Federal Reserve banks, who sustains the loss, the Federal Reserve bank or the Treasury?

Mr. GOLDSBOROUGH. The Treasury.

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

Mr. GOLDSBOROUGH. I yield.

Mr. HOEPPEL. What interest will the Federal Reserve banks pay to the Government for this $140,000,000?

Mr. GOLDSBOROUGH. They do not pay any interest whatever.

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

Mr. GOLDSBOROUGH. I yield.

Mr. KVALE. Does the gentleman think the position of the House conferees will be respected by the administration under this discretionary grant of power?

Mr. GOLDSBOROUGH. Our feeling is that the Treasury realizes that the Senate proposition was simply a gift of $140,000,000 to the Federal Reserve banks and that the Treasury does not believe in that sort of a proposition; that the Treasury will do what it can to conserve this fund. That is what we believe.

Mr. KVALE. For the RECORD, will the gentleman make the position of the House conferees a little more explicit, a little more clear before he concludes?

Mr. GOLDSBOROUGH. I have done the best I can, I may say to the gentleman.

Mr. KVALE. And the gentleman has done very admirably.

Mr. GOLDSBOROUGH. I thank the gentleman.

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

Mr. GOLDSBOROUGH. I yield.

Mr. DONDERO. What rate of interest will be charged by Federal Reserve banks for loans made to industry; and how long will these loans run?

Mr. GOLDSBOROUGH. They can be made for 5 years. No rate of interest is prescribed.

Mr. DONDERO. It is a matter that might fluctuate from time to time.

Mr. GOLDSBOROUGH. Yes.

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

Mr. GOLDSBOROUGH. With pleasure.

Mr. BEEDY. The gentleman and I stood shoulder to shoulder on this proposition for hours in conference.

Mr. GOLDSBOROUGH. Yes.

Mr. BEEDY. And does not the gentleman think it fair to say to this House that this would be a much better bill and more in conformity with the desires of this House if the whole section regarding the Federal Reserve lending powers were stricken from the bill?

Mr. GOLDSBOROUGH. I am very much opposed to direct loans by central banks. I announced my stand in this matter many times to the conference.

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

Mr. GOLDSBOROUGH. I yield.

Mr. MAY. Of course, the Federal Reserve banks have all of their deposits from the member banks and they under the law have penalized the member banks for failure to pay in their assessment, or the amount they are required to pay in. Now, if the Treasury furnishes $150,000,000 to the Federal Reserve banks to enable them to loan money to the customers of the member banks, is not that, in effect, putting the Federal Reserve banks as Government institutions into business in competition with their member banks?

Mr. GOLDSBOROUGH. It certainly is.

Mr. MAY. Is not this all wrong?

Mr. GOLDSBOROUGH. In my judgment it is; yes.

Mr. MAY. I agree with the gentleman.

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

Mr. GOLDSBOROUGH. With pleasure, yes; yes.

Mr. CAVICCHIA. Some members of the committee seem to be very much in doubt as to whether these Federal banks will lend any of this money out.

Mr. GOLDSBOROUGH. Under this compromise the Secretary of the Treasury is not required to let the Federal Reserve banks have this money until they are ready to make the loans; as a matter of fact, does not have to let them have it at all.

Mr. Speaker, I yield back the remainder of my time.

Mr. STEAGALL. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

DIRECT LOANS TO INDUSTRY

Mr. PATMAN. Mr. Speaker, the need for direct loans to industry was recognized before this Congress convened. Banks were not making loans. Another body, instead of authorizing loans to be made directly by the Reconstruction Finance Corporation, seemed to seize upon the opportunity to try to get $140,000,000 back into the surplus funds of the Federal Reserve banks; and this bill as it passed the other body was not a direct loans to industry bill; it was a bonus bill, a bonus to the Federal Reserve banks; that is what it was. When the bill came to the House our Committee on Banking and Currency made a good bill out of it.

They struck out a provision in the Senate bill and put in an authorization for $300,000,000 in direct loans to be made by the Reconstruction Finance Corporation. Then the bill went to conference and the conferees on the part of the House, I am convinced, have made a hard and stubborn fight to carry out the will of this body. They have kept faith. They have done everything in their power I am convinced they could do in order to bring to us the very kind of a bill we asked here; one that would really make direct loans to industry; but they were not successful, and this compromise is the best that they can get.

It is not so bad after all. The main part of the bill contains provision for $300,000,000 to be loaned by the R.F.C. That is in the bill and is the good part of the bill. That is the reason I am willing to vote for it, although there are bad parts in it. The good parts are sufficient to justify our forgetting the bad parts. The bad part is the $139,000,000 or $140,000,000 that will be just handed over to the Federal Reserve banks without any strings, without interest, just giving it to them in the hope that they will extend some loans to industry. That is the part that I do not like.

Another part authorizes the Federal Reserve Board to build a separate building here in Washington called the "Federal Reserve Board Building." They want to get away from the Treasury. That is the only slim contact that the people of this Government have with the Federal Reserve banks, and that is a very slender thread. The Federal Reserve Board want to get off to themselves, so that when they get the Bureau of Engraving and Printing to furnish them money at 27 cents a thousand dollars they can use that money and charge the people any rate of interest they choose to charge them for it, and they will not be in a Treasury Building where an Assistant Secretary of the Treasury will even pass by their office occasionally. They will be away from them entirely.

In truth and in fact, Mr. Speaker, the American people should resent the other body's determination to give these Federal Reserve banks this bonus of $139,000,000 or $140,000,000. They should resent it and they should rise up with this body and make this American Congress take these banks away from private corporations that are now using the people's credit and restore it to the Congress of the United States where we can do what the Constitution says, that is, coin and regulate its value. [Applause.]

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kentucky.

Mr. MAY. What is the necessity of having the Reconstruction Finance Corporation that is now a $5,000,000,000 concern lending money to private industry and also having the Federal Reserve banks doing the same thing?

Mr. PATMAN. The Federal Reserve banks are taking advantage of this opportunity to get a little money back. The Banking and Currency Committee of the House won a great victory about a year ago and the Federal Reserve banks did not like it. The committee took $139,000,000 out of the surplus of the Federal Reserve banks and put this sum into the Federal Deposit Insurance Corporation to insure the deposits of the people. The Federal Reserve banks did not like this.

Mr. MAY. Does this bill give the Federal Reserve banks the right to lend the $140,000,000?

Mr. PATMAN. The effort of the other body is to try to get the money back which has been taken away from them a year ago, and since the money belonged to the people a year ago and did not belong to the Federal Reserve banks, it should not be returned to them now.

Mr. MAY. Does the report give it to them? If it does, I want to vote against the report.

Mr. PATMAN. The report does not give it to them. This committee says: We will agree to let the Federal Reserve banks have it, and they are to pay it back at the rate of 2 percent a year—in other words, over a period of 50 years. We have a little hold on them. I hope by the time this Congress meets again there will be sufficient public sentiment for the Congress to absolutely take over, own, control, and operate the Federal Reserve banks in the interest of all the people. [Applause.]

Mr. STEAGALL. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. KOPPLEMANN) there were—ayes 190, noes. 4.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

NATIONAL INDUSTRIAL RECOVERY ACT

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (H.J.Res. 375)

to effectuate further the policy of the National Industrial Recovery Act with Senate amendments, and agree to the Senate amendments.

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

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 1, line 11, after the word "commerce", insert a comma and "the salaries, compensation, and expenses of the board or boards and necessary employees being paid as provided in section 2 of the National Industrial Recovery Act."

Page 2, line 22, after the word "resolution", insert "with reference to the investigations authorized in section 1."

Page 3, after line 13, insert:

"SEC. 6. Nothing in this resolution shall prevent or impede or diminish in any way the right of employees to strike or engage in other concerted activities."

Mr. MARTIN of Massachusetts. Will the gentleman explain the amendments?

Mr. BYRNS. Yes. The first amendment relates to employees and the compensation to be paid to the board or boards which may be appointed by the President, and it simply provides that the compensation and the appointments shall be made in accordance with the provisions set forth in section 2 of the Industrial Recovery Act.

The second amendment refers to the regulation and rules which the bill authorizes the board or boards to adopt, and simply confines those rules and regulations to section 1 of the pending joint resolution, which, as the gentleman recalls, relates to the investigation of the causes, the issues, and the facts involved in any controversy between employer and employee.

Mr. MARTIN of Massachusetts. Neither one is a radical change in the language of the bill as passed by the House.

Mr. BYRNS. No; they are very slight changes.

The third amendment is simply a declaration of a fact which is already conveyed in the resolution, that nothing in the resolution shall be construed as impeding or preventing the right to strike upon the part of employees.

The SPEAKER. The question is on the motion of the gentleman from Tennessee to concur in the Senate amendments.

The motion was agreed to.

On motion of Mr. BYRNS, a motion to reconsider the vote by which the Senate amendments were agreed to was laid on the table.

APPROPRIATIONS FOR INVESTIGATING COMMITTEES

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of the House joint resolution (H.J.Res. 452) to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935, which I have sent to the Clerk's desk.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 452

Resolved, etc., That for the payment of expenses of special and select committees authorized by the House of Representatives, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $110,000 for the fiscal year 1935: *Provided*, That no person shall be employed under this appropriation or under the appropriation for this purpose in the Legislative Branch Appropriation Act, 1935, at a rate of compensation in excess of $3,600 per annum.

Mr. TABER. Mr. Speaker, I should like to have 3 or 4 minutes on this joint resolution.

Mr. BUCHANAN. I shall be pleased to yield to the gentleman later.

Mr. Speaker, I wish to say just a few words. This is a joint resolution to appropriate $110,000 as a supplemental appropriation for the House contingent fund to provide for the investigating committees of the House that you gentlemen have authorized and the Committee on Accounts has allowed since we passed our regular appropriation. I feel that since the House has passed the authorizations, and since the Committee on Accounts has allowed the respective amounts which total about $110,000, we should bring the appropriation into the House.

Individually, I do not endorse a great many investigations, whether in the House or in the Senate. I am one Member of the House who believes the regular committees of the House can get all the facts that are necessary for them to have in 99 cases out of 100 [applause], but this House gave a command to the Appropriations Committee, and we have brought in this joint resolution.

We have put on one limitation, which is a provision that no employee of any one of these investigating committees shall be paid a greater salary than $3,600 per annum.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. O'CONNOR. In connection with some of these investigations they are going to employ experts?

Mr. BUCHANAN. Yes.

Mr. O'CONNOR. In the tin investigation, for instance, where does the gentleman think they are going to get a man who knows anything about the tin supply of the world for $300 a month? And in the mortgage and bond investigation they will need the best accountants they can get. The Federal Trade Commission pays $4,600 as a minimum for their accountants. What kind of accountants does the gentleman think they are going to be able to get for $3,600 a year—not even an apprentice accountant.

Mr. BUCHANAN. We do not expect them to go out and hire brains. We expect the committee itself to furnish the brains and not the investigators whom they employ. We expect your investigators to bring out the facts and then have the committee, with its brain power or its brain trust, if it has one, furnish the brains of the investigation. [Laughter and applause.]

That is all I have to say, Mr. Speaker. If you want the money to conduct these investigations, pass the joint resolution. If you do not, this is the last time I shall put the matter before you.

Mr. TABER. Mr. Speaker, I ask recognition for a few moments on the resolution.

Mr. Speaker, I think the Chairman of the Appropriations Committee has done a good job in putting this rider on this joint resolution.

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

Mr. TABER. Yes.

Mr. BUCHANAN. Is it not a fact that the Senate has this limitation of $3,600 a year with respect to all of its investigations?

Mr. TABER. Yes; and they get just as good men as there are available, and there are thousands and thousands of lawyers and engineers and scientists of all descriptions who are ready to give their services for this compensation. Things are so just now that they are glad to get these jobs.

Mr. BUCHANAN. If the gentleman will yield further, is it not also a fact that some of the private employees of these investigations have been paid as much as $14,000 and $15,000 a year?

Mr. TABER. Yes; and it is ridiculous. We can get along just as well without spending so much money on these investigations, and I hope when we get back here in January we will not authorize so many investigations. We have had a regular epidemic of them throughout this session and we have had tremendous deficiencies in the House.

The House has always had a good, clean record on this sort of thing heretofore, but this time we have gone too far and I hope the House will take this to heart, will pass this joint resolution, just as it is, provide for what has been authorized, and provide the limitation that is necessary if we are going to keep things in bounds.

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

Mr. TABER. I yield.

Mr. RICH. Is it not a fact that when an investigating committee is appointed by the House, there are many, many people around Washington who go to these investigating committees trying to get the committees to employ them, and after they are employed they try to the get the largest salary they can get?

Mr. TABER. I do not know about that, but I presume it is true.

Mr. RICH. I do.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. O'CONNOR. The Chairman of the Committee on Appropriations said that committees should be their own "brain trust" and that they should do the investigating. Is it not a fact that your committee, the Committee on Appropriations, has experts to whom you pay $7,500 a year and upward, and other committees have clerks and experts who are paid $7,500 a year?

Mr. TABER. We have competent clerks on the pay roll of the Appropriations Committee who have been here a quarter of a century.

Mr. O'CONNOR. Why do you need them—why do you not do the investigating yourselves?

Mr. TABER. And other committees of the House have competent clerks who are able to do the work of these investigations without hiring outsiders, and there are plenty of men in the departments of the Government who are able to do this work and have not so much to do that it bothers them any. I think we should use them to the limit instead of going ahead and spending a lot of money needlessly.

Mr. WOLFENDEN. I want to inform the gentleman from New York that in one committee they raised the pay of a clerk from $90 to $330.

Mr. TABER. That shows that the committee should exercise caution in making these expenditures.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. BUCHANAN]?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I offer the following amendment to the resolution.

The Clerk read as follows:

At the end of the resolution add a paragraph as follows:
"To carry out the purpose of H.R. 9145, Seventy-third Congress, second session, providing for the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., and at the National Convention for Disabled Veterans of the World War, to be held at Colorado Springs, Colo., there is appropriated out of any money in the Treasury not otherwise appropriated the sum of $11,000."

Mr. BUCHANAN. Mr. Speaker, I could not bring in that appropriation because the President has not signed the bill. It has passed the House and passed the Senate, and no doubt the President will sign it, but I could not bring it in. I have no objection to it.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The joint resolution 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.

INTERNATIONAL LABOR ORGANIZATION

Mr. McREYNOLDS. Mr. Speaker, I move to suspend the rules and pass the bill S.J.Res. 131.

Mr. TINKHAM. Mr. Speaker, I object.

The Clerk read the resolution as follows:

Whereas progress toward the solution of the problems of international competition in industry can be made through international action concerning the welfare of wage earners; and

Whereas the failure of a nation to establish humane conditions of labor is an obstacle in the way of other nations which desire to maintain and improve the conditions in their own countries; and

Whereas the United States early recognized the desirability of international cooperation in matters pertaining to labor and took part in 1900 in establishing, and for many years thereafter supported, the International Association for Labor Legislation; and

Whereas the International Labor Organization has advanced the welfare of labor thoughout the world through studies, recommendations, conferences, and conventions concerning conditions of labor; and

Whereas other nations have joined the International Labor Organization without being members of the League of Nations; and

Whereas special provision has been made in the constitution of the International Labor Organization by which membership of the United States would not impose or be deemed to impose any obligation or agreement upon the United States to accept the proposals of that body as involving anything more than recommendations for its consideration: Therefore be it

Resolved, etc., That the President is hereby authorized to accept membership for the Government of the United States of America in the International Labor Organization, which, through its general conference of representatives of its members and through its International Labor Office, collects information concerning labor throughout the world and prepares international conventions for the consideration of member governments with a view to improving conditions of labor.

SEC. 2. That in accepting such membership the President shall assume on behalf of the United States no obligation under the covenant of the League of Nations.

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

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

The SPEAKER. Is there objection?

There was no objection.

Mr. McREYNOLDS. Mr. Speaker, I yield myself 5 minutes. I am very sorry that my good friend from Massachusetts is so disturbed over this resolution that he objected to suspending the rules, and was so anxious to go to bat that he hardly wanted me to explain the bill.

The resolution merely provides for giving the President of the United States the right to join the United States in the International Labor Organization. The bill was passed in the Senate by unanimous consent. The resolution provides for the participation of the United States in the International Labor Organization at Geneva, an instrumentality maintained by some 60 countries, with the sole objective of improving labor conditions.

The idea in these conventions is that if we can improve labor conditions throughout the world and thereby raise the standard of living, that it will enable us not only to render a great service to humanity but to more readily compete in the tariff situation where we have markets abroad.

This resolution is backed by every department of Government—the Labor Department, the Commerce Department, the Secretary of State, and by the Chief Executive himself. I ask you to give my friend on the committee, the gentleman from Massachusetts, a faithful hearing.

Mr. COCHRAN of Pennsylvania. Will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. COCHRAN of Pennsylvania. Is not the International Labor Organization practically an American institution? Was it not organized by Samuel Gompers and President Wilson?

Mr. McREYNOLDS. It was organized by Mr. Gompers and President Wilson in 1919, but we do not have a membership in that organization at the present time. It is endorsed by labor organizations throughout this country.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. O'MALLEY. Is not this International Labor Organization a part of the League of Nations?

Mr. McREYNOLDS. It is not, although my good friend, the gentleman from Massachusetts [Mr. TINKHAM] will tell you that it is. It is a separate organization. Its building is separate, and is one mile away from the League of Nations and has been built out of the budget of these countries.

Mr. O'MALLEY. Are not some of its funds obtained through the League of Nations Council in Geneva?

Mr. McREYNOLDS. I don't know anything about that, but I know that other countries outside of the League of Nations belong to this organization. I am just as much opposed to the League of Nations as is my good friend from Wisconsin.

Mr. O'MALLEY. I am afraid that this might be a stepping stone used for the purpose of getting us into the League of Nations.

Mr. FITZPATRICK. Is it endorsed by the Federation of Labor?

Mr. McREYNOLDS. It is. Mr. Speaker, I reserve the remainder of my time.

Mr. TINKHAM. Mr. Speaker, this is the hour and this is the time, as we near adjournment in confusion, when legislation is reported to this House which never would be reported if due deliberation could be given to it. It is the

spawning hour for the propagation of proposals fostered by corruption, by special interests, by foreign intrigue, and by conspirators against the public weal.

The proposal now before the House is a proposal of this character. It is being promoted by those who are opposed to American interest, American independence, and American principles. It provides that the United States accept membership in the International Labor Organization of the League of Nations; that the United States accept part 13 of the Versailles Treaty, which treaty the United States has refused to accept and the people of the United States regard as an instrument of oppression, of hate, and of chaos for the civilized world.

Let me also state here that this resolution is not before the House in accordance with a fair interpretation of the rules; in accordance with honest procedure. There was no notification to the members of the Committee on Foreign Affairs that the resolution was to be considered, a quorum was not present when the resolution was reported, and no witnesses appeared before the committee.

A letter signed by the Secretary of Labor, Frances Perkins, was sent to the committee and was made a part of the report of the committee. It contains this wholly false statement:

The organization—

Wrote Miss Perkins, referring to the International Labor Organization—

is not even now an integral part of the League of Nations.

Let me read Article 387 of the Versailles Treaty. It states:

A permanent organization is hereby established for the promotion of the objects set forth in the preamble.

The original members of the League of Nations shall be the original members of this organization, and hereafter membership of the League of Nations shall carry with it membership of the said organization.

Now, let me read 391 of the Versailles Treaty. It reads:

The meetings of the Conference shall be held at the seat of the League of Nations, or at such other place as may be decided by the Conference at a previous meeting by two-thirds of the votes cast by the delegates present.

Article 392 of the Versailles Treaty reads:

The International Labour Office shall be established at the seat of the League of Nations as part of the organization of the League.

Yet, Miss Perkins states that the International Labor Organization is not an integral part of the League of Nations. This statement of the Secretary is wholly false. It was made to deceive and to mislead the Committee on Foreign Affairs of the House and the House itself.

Let me explain what the real intent of this proposal is. The League of Nations is a part of the Versailles Treaty. The Covenant of the League of Nations is the center; its two wings, affiliates, or branches are the Permanent Court of International Justice and the International Labor Organization. Both are bureaus, instrumentalities, or agents of the League of Nations. This set-up can be compared with the Capitol in which we are sitting. There is a center and there are two wings. An entry to either wing is an entry into the building itself. An entry into either wing of the League of Nations is an entry into the League of Nations itself. If you vote for this resolution you vote to enter the League of Nations. You commit the United States to internationalism under the lash of foreign influences and through alien machinations you take the first step into the League. You will be following the dictates of the foreign propagandists in this country and in Europe. Is propaganda and foreign propagandists going to rule us?

The intent of those who are opposed to American nationalism is first to have the United States become a member of the International Labor Organization, then adhere to the Permanent Court of International Justice, and finally become signatories of the Covenant. This would be a gross betrayal of the people of the United States to Europe, where people of the United States have lost their wealth and their institutions, which are now toppling to destruction.

Section 2 of the resolution provides: "That in accepting such membership the President shall assume on behalf of the United States no obligation under the Covenant of the League of Nations."

This is simply saying that we shall go to one wing of the edifice but that we shall not go to the center at this time. It is the first step which we are asked to take, and the first step is the fatal one.

Mr. O'MALLEY. Will the gentleman yield?

Mr. TINKHAM. I am sorry. I cannot yield at this moment.

Mr. Speaker, we must face the issue; we must decide whether or not we are going to vote in favor of the League. We are not asked now to face the issue on the Covenant. No one dares to put the Covenant before us at this time. We are not asked to face the issue on the Court. No one dares to put the Court before us at this time. But we are asked to vote on the International Labor Organization, which is an integral part of the League of Nations, as stated in the Versailles Treaty.

Mr. KENNEY. Will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. KENNEY. Will the gentleman tell us, if he knows, who drew this resolution?

Mr. TINKHAM. I do not know.

Mr. O'MALLEY. Will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. O'MALLEY. It says:

Whereas said provision has been made in the constitution of the International Labor Organization—

What was the said provision and why should they have to make it to get us into this organization?

Mr. TINKHAM. Let me explain that. While the Versailles Treaty was under consideration in Europe proposing to entangle us in the affairs of Europe, one-third of the Senate notified Europe by what was called a "round robin" that the United States would not join the League of Nations. Whereupon the European intriguers, men of ingenuity, desiring to involve the United States into European affairs, provided in the protocol of the court and in the International Labor Organization that any country not a member of the League might enter these organizations without becoming a signatory to the Versailles Treaty or to the Covenant of the League of Nations.

Are you willing to involve the United States in the League of Nations and the future wars of Europe? Will you take the first step in that direction by accepting this resolution? Will you accept a part of a treaty which has been repudiated as a whole by the American people and held by the American people not only in abhorrence but in hatred and in fear? Will you commit the United States at this time to the Versailles Treaty, to foreign entanglements and foreign wars, which would be the inevitable consequences of your action if you adopt this resolution? Will you be lashed into line by foreign and international money and organizations?

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

Mr. TINKHAM. I yield.

Mr. LUNDEEN. Is it not a fact that large sums of money are being expended by foundations and organizations in this country to disseminate foreign propaganda? I wish the gentleman would put in the RECORD a list of those organizations and the money they are expending in America to devitalize Americanism. It is a government by propaganda.

GOVERNMENT BY PROPAGANDA

Arthur Sears Henning, of the Chicago Tribune, in the 1927 edition of his pamphlet reports on 81 organizations which disseminate propaganda or otherwise seek to influence public opinion, legislation, and the administration of government.

SOURCES OF PROPAGANDA CASH

More than $10,000,000 a year is now being expended by these organizations in amounts of $2,000,000 or more down to $1,000 per unit. Mr. Henning tells us that the United States Chamber of Commerce influences legislation and voices the

attitude of organized business men on domestic and international questions, expending more than $1,000,000 per year.

CARNEGIE ENDOWMENT

Carnegie Endowment for International Peace promotes internationalism and propagandizes for the League of Nations and World Court. In 1927 it expended $530,000 in 1 year. This represents the earnings of approximately a $25,000,000 fund.

LEAGUE OF NATIONS NONPARTISAN ASSOCIATION

This foreign-minded league is working for the entrance of the United States into the League of Nations, and expended in 1927 more than $200,000. It takes more than $5,000,000 to earn this amount now being expended by traitorous un-American pro-foreign people who masquerade as Americans to deceive their fellow men. They would lead us straight to the battlefields of Europe under the mask of peace.

AMERICANS READ WASHINGTON'S FAREWELL ADDRESS

Let us write upon the tablets of mind and heart the immortal words of Washington, Father of our Country, never to entangle ourselves in the quarrels of Europe.

FOREIGN WAR DEBTS

Yes; I spoke against loaning $10,000,000,000 to European kings way back on April 6, 1917. I quoted Washington against Wilson in that fatal hour. Washington said, "There are no real favors between nation and nation." But our internationalists lead on, and we are now playing Santa Claus to the whole world. There must be an end to this. Those who try to drag us into the back door of the League of Nations are no friends of America.

Mr. TINKHAM. At the beginning of this Congress I introduced a resolution providing for the investigation of the disloyal and seditious organizations and individuals who were attempting to denationalize the United States—those who for their own vicious and alien ends were seeking to merge us with western Europe and to embroil us into its affairs. The resolution was not passed. I disclosed at that time that millions of dollars were being spent in the United States to denationalize the United States and to bring about our destruction through European entanglements. I could prove these statements true if this House would pass my resolution ordering an investigation.

Mr. O'MALLEY. Will the gentleman yield further?

Mr. TINKHAM. I yield.

Mr. O'MALLEY. As a matter of fact, when they tried to induce us into the World Court, did they not make the same exceptions to provisions as they are making here?

Mr. TINKHAM. They did.

Mr. O'MALLEY. Is it not a fact that League of Nations' money supported this labor organization?

Mr. TINKHAM. Yes; it is.

Mr. O'MALLEY. And the report shows it.

Mr. TINKHAM. Let me ask the chairman of the committee on which I have the honor to serve: Has there been an estimate of the cost to the American people of our annual contribution to this organization? If so, how much?

Mr. McREYNOLDS. It will not cost anything for the next fiscal year.

Mr. TINKHAM. What will be the subsequent yearly contribution?

Mr. McREYNOLDS. That will depend on a number of circumstances.

Mr. TINKHAM. Mr. Speaker, I may say that it is estimated that we shall contribute to the support of this organization from $150,000 to $400,000 a year.

Mr. COOPER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Ohio.

Mr. COOPER of Ohio. I would like to ask the gentleman from Massachusetts what prompted the bringing in of this resolution? It is something new to me. It comes in here at the last minute. None of us has had an opportunity to study it, and I would like to know if labor of the United States is in favor of joining an international labor organization which in the European countries today is controlled chiefly by Communists?

Now, I do not know about this, but I think we have got enough to do in the United States of America to take care of our own labor without mixing in any of the brawls of European and Asiatic countries. [Applause.]

Mr. TINKHAM. I thoroughly agree with the honorable Representative from Ohio.

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

Mr. TINKHAM. I yield.

Mr. FITZPATRICK. Has the committee held any hearings on the bill?

Mr. TINKHAM. No hearings were held on the bill; and there were no witnesses.

Mr. FITZPATRICK. Was there any report from any labor organizations on the bill?

Mr. TINKHAM. Not to the committee; no.

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

Mr. TINKHAM. I yield.

Mr. JENKINS of Ohio. If this resolution is adopted, is it not true that this will take us further into the League of Nations than anything we have tried to do?

Mr. TINKHAM. It will take us even further than the Court would, because, as I have stated, the Versailles Treaty says that the International Labor Office shall be established at the seat of the League of Nations as part of the organization of the League, whereas the Versailles Treaty merely authorizes the setting up of the Court and the giving of advisory opinions.

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

Mr. TINKHAM. I yield.

Mr. CELLER. What harm can come from an exchange of ideas on labor?

Mr. TINKHAM. The harm that can come is that which would come from taking the first step into the League. Other steps will follow. There will be the International Labor Organization, then the Court, then the Covenant, and then the destruction of America; that is all.

Mr. FULLER. The gentleman will admit that if there were no possibility of entrance into the League, then, there would be no harm to come from an exchange of ideas on labor.

Mr. TINKHAM. Let me say this: That there might be no harm if there were no possibility of entrance into the League, but adherence to the International Labor Organization is only the first step in the intrigue of the internationalists to get us finally into the League of Nations.

Mr. CELLER. I have listened with interest many times to the gentleman from Massachusetts; I have the greatest respect for him and admire his intellectual ability, but with his conclusions in this instance I must emphatically disagree. The gentleman is wrenching this bill out of its proper content, design, and its implication.

Mr. TINKHAM. Just one word more, Mr. Speaker. If the House wishes eventually to enter the League of Nations, which would mean the destruction of the United States in the next war, then let the House pass this resolution. If the House desires to commit the United States to internationalism under the direction and control of propagandists paid with the money of foreign interests, then let the House vote for this resolution. But if the House is for American independence, for American ideals, for American nationality untarnished, then let the House vote against this resolution. [Applause.]

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Speaker, since hearing the gentleman's speech, I ask for a vote.

The SPEAKER. The question is on the motion of the gentleman from Tennessee to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 161, noes 59.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 233, nays 109, not voting 88, as follows:

[Roll No. 197]

YEAS—233

Adams	DeRouen	Johnson, Tex.	Richards
Allgood	Dickinson	Johnson, W.Va.	Robertson
Arnold	Dies	Jones	Robinson
Ayers, Mont.	Disney	Kee	Rogers, N.H.
Ayres, Kans.	Dobbins	Keller	Rogers, Okla.
Bankhead	Doughton	Kelly, Pa.	Romjue
Beiter	Dowell	Kloeb	Rudd
Berlin	Doxey	Kniffin	Ruffin
Biermann	Drewry	Kopplemann	Sabath
Black	Driver	Kramer	Sadowski
Bland	Duffey	Kvale	Sanders, La.
Blanton	Duncan, Mo.	Lambeth	Sanders, Tex.
Bloom	Dunn	Lanham	Sandlin
Boehne	Eagle	Lanzetta	Schulte
Boileau	Edmiston	Larrabee	Sears
Boland	Eicher	Lea, Calif.	Shannon
Boylan	Ellzey, Miss.	Lehr	Sirovich
Brennan	Faddis	Lewis, Colo.	Sisson
Brown, Ga.	Farley	Lewis, Md.	Smith, Va.
Brown, Ky.	Fitzgibbons	Lloyd	Snyder
Brown, Mich.	Fitzpatrick	Lozier	Spence
Brunner	Flannagan	McCarthy	Steagall
Buchanan	Fletcher	McFarlane	Strong, Tex.
Buck	Foulkes	McGrath	Sutphin
Bulwinkle	Frear	McMillan	Tarver
Burch	Frey	McReynolds	Taylor, Colo.
Burke, Nebr.	Fuller	Maloney, La.	Terry, Ark.
Byrns	Fulmer	Mansfield	Thom
Caldwell	Gasque	Martin, Colo.	Thomason
Cannon, Mo.	Gavagan	May	Thompson, Ill.
Carden, Ky.	Gilchrist	Mead	Thompson, Tex.
Carmichael	Gillespie	Meeks	Turner
Carter, Calif.	Gillette	Milligan	Umstead
Carter, Wyo.	Glover	Mitchell	Underwood
Cartwright	Goldsborough	Monaghan, Mont.	Utterback
Cary	Gray	Montet	Vinson, Ky.
Castellow	Green	Murdock	Wallgren
Celler	Greenway	Musselwhite	Walter
Chapman	Greenwood	Nesbit	Warren
Chavez	Gregory	O'Connell	Weaver
Christianson	Griffin	O'Connor	Welch
Cochran, Mo.	Hancock, N.C.	Oliver, Ala.	Werner
Cochran, Pa.	Harlan	Oliver, N.Y.	West, Ohio
Colden	Harter	Owen	West, Tex.
Cole	Hastings	Parker	White
Colmer	Healey	Parsons	Whittington
Connery	Henney	Patman	Wilcox
Cooper, Tenn.	Hildebrandt	Peterson	Williford
Cox	Hill, Ala.	Pettengill	Williams
Cravens	Hill, Knute	Peyser	Wilson
Crosby	Hill, Samuel B.	Pierce	Withrow
Cross, Tex.	Hoeppel	Polk	Wood, Ga.
Crosser, Ohio	Hoidale	Prall	Wood, Mo.
Crowe	Hughes	Ramsay	Young
Cullen	Imhoff	Ramspeck	Zioncheck
Darden	Jacobsen	Randolph	The Speaker
Dear	James	Rankin	
Deen	Jenckes, Ind.	Rayburn	
Delaney	Johnson, Okla.	Reilly	

NAYS—109

Allen	Evans	Lamneck	Secrest
Arens	Fiesinger	Lehlbach	Shallenberger
Bakewell	Focht	Lemke	Simpson
Beedy	Foss	Luce	Sinclair
Blanchard	Goodwin	Ludlow	Stalker
Bolton	Goss	Lundeen	Stokes
Britten	Granfield	McCormack	Strong, Pa.
Burnham	Griswold	McFadden	Sweeney
Busby	Guyer	McGugin	Swick
Cady	Hancock, N.Y.	Maloney, Conn.	Taber
Carpenter, Kans.	Hart	Mapes	Taylor, Tenn.
Cavicchia	Hartley	Marshall	Thomas
Clarke, N.Y.	Hess	Martin, Mass.	Tinkham
Collins, Calif.	Higgins	Merritt	Tobey
Condon	Holmes	Millard	Traeger
Cooper, Ohio	Hope	Morehead	Truax
Crowther	Howard	Mott	Turpin
Culkin	Jenkins, Ohio	Moynihan, Ill.	Wadsworth
Cummings	Johnson, Minn.	Muldowney	Waldron
Darrow	Kahn	O'Malley	Weideman
Dirksen	Kelly, Ill.	Plumley	Whitley
Ditter	Kennedy, N.Y.	Powers	Wigglesworth
Dondero	Kenney	Ransley	Wolcott
Durgan, Ind.	Kinzer	Reece	Wolfenden
Eaton	Knutson	Reid, Ill.	Wolverton
Edmonds	Kocialkowski	Rich	
Eltse, Calif.	Kurtz	Rogers, Mass.	
Englebright	Lambertson	Schaefer	

NOT VOTING—88

Abernethy	Auf der Heide	Beam	Buckbee
Adair	Bacharach	Beck	Burke, Calif.
Andrew, Mass.	Bacon	Brooks	Cannon, Wis.
Andrews, N.Y.	Bailey	Browning	Carley, N.Y.
Carpenter, Nebr.	Ford	McLeod	Shoemaker
Chase	Gambrill	McSwain	Smith, Wash.
Church	Gifford	Marland	Smith, W.Va.
Claiborne	Haines	Martin, Oreg.	Snell
Clark, N.C.	Hamilton	Miller	Somers, N.Y.
Collins, Miss.	Hollister	Montague	Stubbs
Connolly	Huddleston	Moran	Studley
Corning	Jeffers	Norton	Sullivan
Crump	Kennedy, Md.	O'Brien	Sumners, Tex.
De Priest	Kerr	Palmisano	Swank
Dickstein	Kleberg	Parks	Taylor, S.C.
Dingell	Lee, Mo.	Peavey	Terrell, Tex.
Dockweiler	Lesinski	Perkins	Thurston
Douglass	Lindsay	Reed, N.Y.	Treadway
Doutrich	McClintic	Richardson	Vinson, Ga.
Ellenbogen	McDuffie	Schuetz	Wearin
Fernandez	McKeown	Scrugham	Woodruff
Fish	McLean	Seger	Woodrum

The SPEAKER. The Clerk will call my name.

The Clerk called Mr. RAINEY's name and he answered "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. Corning with Mr. Snell.
Mr. McDuffie with Mr. Treadway.
Mr. Kleberg with Mr. Beck.
Mr. McClintic with Mr. Fish.
Mr. Lindsay with Mr. Connolly.
Mr. Martin of Oregon with Mr. Hollister.
Mr. McKeown with Mr. Woodruff.
Mr. Huddleston with Mr. Andrew of Massachusetts.
Mr. Montague with Mr. Bacon.
Mr. Vinson of Georgia with Mr. Gifford.
Mr. Woodrum with Mr. McLeod.
Mr. Parks with Mr. Perkins.
Mr. Collins of Mississippi with Mr. Bacharach.
Mr. Crump with Mr. Andrews of New York.
Mr. Browning with Mr. McLean.
Mr. Adair with Mr. Reed of New York.
Mr. Dockweiler with Mr. Seger.
Mr. Richardson with Mr. Thurston.
Mr. Douglass with Mr. Peavey.
Mr. Beam with Mr. Doutrich.
Mr. Kennedy of Maryland with Mr. Buckbee.
Mr. Fernandez with Mr. Chase.
Mr. Shoemaker with Mr. De Priest.
Mr. Haines with Mr. Clark of North Carolina.
Mrs. Norton with Mr. O'Brien.
Mr. Claiborne with Mr. Taylor of South Carolina.
Mr. Hamilton with Mr. Church.
Mr. Cannon of Wisconsin with Mr. Gambrill.
Mr. McSwain with Mr. Somers of New York.
Mr. Miller with Mr. Marland.
Mr. Abernethy with Mr. Dingell.
Mr. Kerr with Mr. Dickstein.
Mr. Lesinski with Mr. Brooks.
Mr. Schuetz with Mr. Lee of Missouri.
Mr. Bailey with Mr. Auf der Heide.
Mr. Carley of New York with Mr. Burke of California.
Mr. Ford with Mr. Moran.
Mr. Palmisano with Mr. Wearin.
Mr. Sullivan with Mr. Scrugham.
Mr. Stubbs with Mr. Studley.
Mr. Swank with Mr. Smith of West Virginia.

Mr. HILDEBRANDT, Mr. DURGAN, Mr. WALDRON changed their votes from "yea" to "nay."

Mr. AYERS of Montana, Mr. DUFFEY, Mr. THOMPSON of Illinois, Mr. WERNER, and Mr. WOOD of Georgia changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DEFICIENCY APPROPRIATION BILL, 1934–35

Mr. BUCHANAN. Mr. Speaker, I submit the following conference report on the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The conference report (Rept. No. 2057) 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. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 37, 41, 42, 44, 62, 84, 96, 97, 101, 105, 106, 281, and 284.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 32, 33, 36, 38, 43, 45, 46, 47, 48, 49, 51, 52, 53, 54, 55, 56, 57, 58, 61, 63, 64, 65, 66, 69, 70, 71, 73, 75, 76, 79, 80, 81, 82, 83, 86, 87, 88, 89, 90, 91, 92, 93, 98, 102, 103, 107 to 265, both inclusive, 266, 267, 268, 269, 271, 272, 273, 274, 277, 278, 279, 283, 285, 287, 288, 289, 290, and 291, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word " unexpended " and insert in lieu thereof the word " unobligated "; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word " unexpended " and insert in lieu thereof the word " unobligated "; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $8,500 "; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $175,000 "; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $300,000 "; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: ": *Provided*, That persons employed hereunder may be appointed for temporary service for a period not in excess of 6 months, without regard to civil-service rules and regulations."; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $50,000 "; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word " unexpended " and insert in lieu thereof the word " unobligated "; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word " unexpended " and insert in lieu thereof the word " unobligated "; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: Before line 1 of the matter inserted by said amendment insert as center head " Bureau of Agricultural Economics "; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$5,000 "; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment insert in the first blank " 14 " and in the second blank " 352 "; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum $335,860 where named in said amendment insert the sum " $250,000 ", and in lieu of the sum $245,460 where named in said amendment insert the sum " $160,-000 "; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $25,-000 "; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment strike out " $91,190 " and insert in lieu thereof " $80,000 ", and in line 11 of the matter inserted by said amendment strike out " $1,896,990 " and insert in lieu thereof " $1,500,000 "; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $125,-000 "; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $100,-000 "; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $75,000 "; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $75,000 "; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

" Waterways Treaty, United States and Great Britain; International Joint Commission, United States and Great Britain: For completing necessary special or technical investigations in connection with matters which fall within the scope of the jurisdiction of the International Joint Commission, including the same objects specified under this head in the Department of State Appropriation Act, 1935, $17,555."

And the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum named insert " $75,000 "; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows:

In line 2 of the matter inserted by said amendment, strike out the word "the" where it occurs the second time and insert in lieu thereof the following: "final and complete"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment insert the following: "The expenditure of such sum shall be subject to the receipt of assurances satisfactory to the President from such governments of their cooperation in such survey and construction"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment insert in the blank "14"; and the Senate agree to the same.

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"To meet the emergency and necessity for relief in stricken agricultural areas, to remain available until June 30, 1935, $525,000,000, to be allocated by the President to supplement the appropriations heretofore made for emergency purposes and in addition thereto for (1) making loans to farmers for, and/or (2) the purchase, sale, gift, or other disposition of, seed, feed, freight, summer fallowing, and similar purposes; expenditures hereunder and the manner in which they shall be incurred, allowed, and paid, shall be determined by the President, and may include expenditures for personal services and rent in the District of Columbia and elsewhere and for printing and binding and may be made without regard to the provisions of section 3709 of the Revised Statutes."

And the Senate agree to the same.

Amendment numbered 275: That the House recede from its disagreement to the amendment of the Senate numbered 275, and agree to the same with an amendment as follows: In lines 15, 16, and 17 of the matter inserted by said amendment strike out the following "and not to exceed $60,000 for a survey of the effect of the code on labor conditions in the petroleum industry, fiscal year 1935, $2,096,000" and insert in lieu thereof "fiscal year 1935, $1,500,000"; and the Senate agree to the same.

Amendment numbered 276: That the House recede from its disagreement to the amendment of the Senate numbered 276, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", and which sum is a part of the $200,000,000 authorized to be appropriated by section 1 of the act entitled "An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes", approved June —, 1934"; and the Senate agree to the same.

Amendment numbered 280: That the House recede from its disagreement to the amendment of the Senate numbered 280, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,000,000"; and the Senate agree to the same.

Amendment numbered 282: That the House recede from its disagreement to the amendment of the Senate numbered 282, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000,000"; and the Senate agree to the same.

Amendment numbered 286: That the House recede from its disagreement to the amendment of the Senate numbered 286, and agree to the same with an amendment as follows: Strike out lines 68, 69, 70, and 71 of the matter inserted by said amendment and insert in lieu thereof the following: "be covered into the Treasury as miscellaneous receipts."; and the Senate agree to the same.

Amendment numbered 292: That the House recede from its disagreement to the amendment of the Senate numbered 292, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment strike out "October" and insert "December"; and the Senate agree to the same.

Amendment numbered 293: That the House recede from its disagreement to the amendment of the Senate numbered 293, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "*Provided further*, That not exceeding $30,000 of the sum herein appropriated shall be expended for construction of a retaining wall and/or improvement of grounds of Federal Building at Reno, Nev."; and the Senate agree to the same.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. A. AYRES,
WILLIAM W. ARNOLD,
WILLIAM B. OLIVER,
Managers on the part of the House.

ALVA B. ADAMS,
KENNETH MCKELLAR,
JAMES F. BYRNES,
FREDERICK HALE,
L. J. DICKINSON,
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. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On nos. 1 to 17, relating to the Senate: Appropriates $17,000 for payments to widows of deceased Senators; appropriates $100,000 for expenses of Senate inquiries and investigations and reappropriates the unobligated balance of the 1934 appropriation for such purposes; appropriates for miscellaneous items under the Senate $14,305.35 for the fiscal year 1933 and $50,000 for the fiscal year 1934; reappropriates the unobligated balance of the 1934 appropriation for folding speeches and pamphlets, and carries a number of legislative provisions with respect to Senate accounts, the commencement of terms of Senators and of their compensation and that of their clerical assistants, all as proposed by the Senate.

On nos. 18 to 23, relating to the House of Representatives: Appropriates $8,500 for payment to widow of a deceased Member, instead of $9,000, as proposed by the Senate, and appropriates $6,000 for payment of expenses incurred in contested-election cases, as proposed by the Senate.

On nos. 24 to 26, relating to the Architect of the Capitol: Makes the appropriation and reappropriation proposed by the House in connection with enlarging the Capitol Grounds available until expended, as proposed by the Senate, and appropriates an additional $29,536 for maintenance of the Senate Office Building, as proposed by the Senate.

On no. 27: Strikes out the appropriation and legislation proposed by the House with respect to the law library in the United States Supreme Court Building, as proposed by the Senate.

On no. 28: Appropriates $75,000 for the expenses of the Aviation Commission in consequence of the act of June 12, 1934, as proposed by the Senate.

On no. 29: Appropriates $175,000 on account of Government participation in the Chicago World's Fair, instead of $150,000, as proposed by the House, and $200,000, as proposed by the Senate.

On nos. 30, 31, and 32, relating to the Civil Service Commission: Appropriates $334,000, instead of $340,000, as proposed by the Senate.

On no. 33: Appropriates $30,000 to enable the Federal Trade Commission to comply with the provisions of House Concurrent Resolution 32, as proposed by the Senate.

On no. 34: In connection with the appropriation to provide additional temporary personnel for the General Accounting Office, provides for their employment for a period not exceeding 6 months, in lieu of the Senate proposal providing for temporary appointments without regard to civil-service rules and regulations.

On no. 35: Appropriates $50,000 for carrying out the provisions of the act establishing a National Archives of the United States, instead of $100,000, as proposed by the Senate.

On no. 36: Appropriates $300,000 for the purpose of administering the provisions of the Securities Exchange Act of 1934 and the Securities Act of 1933, as proposed by the Senate.

On no. 37: Strikes out the appropriation of $6,012 proposed by the Senate on account of library and educational equipment for the National Zoological Park.

On nos. 38, 39, and 40: Continues available during the fiscal year 1935 the 1934 appropriations of the Tariff Commission for salaries and expenses and printing and binding, and increases the limitation previously established on expenditures during the fiscal year 1935 for personal services from $725,000 to $750,000, as proposed by the Senate.

On nos. 41 to 46, relating to the District of Columbia: Strikes out the additional appropriations proposed by the Senate for the fiscal year 1935 for the Public Utilities Commission and the Alcoholic Beverage Control Board; appropriates $1,583 for judicial expenses, fiscal year 1933, as proposed by the Senate, instead of $1,193, as proposed by the House; strikes out the appropriation proposed by the Senate of $13,770 for personal services, Board of Indeterminate Sentence and Parole, and appropriates an additional $1,238.45 for payment of claims, as proposed by the Senate.

On nos. 47 to 50, relating to the Department of Agriculture: Appropriates $225,000 for forest-fire cooperation, as proposed by the Senate, instead of $152,000, as proposed by the House; appropriates $30,000 for road construction within grounds of Thomas Jefferson Memorial Foundation at Monticello, as proposed by the Senate, and appropriates $47,670, to enable the Secretary of Agriculture to collect and analyze economic data on agricultural products pursuant to the act amending the Tariff Act of 1930, approved June 12, 1934, as proposed by the Senate.

On nos. 51 to 58, relating to the Department of Commerce: Appropriates an additional $2,000 for contingent expenses, fiscal year 1935, also the additional amounts for such fiscal year indicated after the following heads, viz: Investigation of foreign-trade restrictions, $45,210; customs statistics, $11,580; allowance for quarters, foreign commerce service, $57,060; propagation of food fishes, $9,650; and inquiry respecting food fishes, $24,140, all as proposed by the Senate.

On nos. 59 to 65, relating to the Interior Department: Makes $5,000, instead of $10,000, as proposed by the Senate, of the appropriation "Salaries and expenses, Division of Investigations, Department of the Interior, 1935", available for unforeseen emergencies of a confidential character; makes a reimbursable appropriation of $481,879.38 for the purchase of land for the Navajo Indians in Arizona, as proposed by the Senate; provides for the deduction of "expenses" as well as attorneys' fees from the judgment rendered by the Court of Claims in favor of the Creek Nation before making per capita payments of the residue to members of the Creek Tribe, as proposed by the Senate; strikes out the appropriation of $5,000, proposed by the Senate, for the appraisal and sale of vacant public lands within Federal irrigation projects and appropriates $3,144,603 for carrying out the provisions of sections 1 and 2 of the act providing for the further development of vocational education, approved May 21, 1934, as proposed by the Senate.

On nos. 66 to 85, relating to the Department of Justice: In lieu of an additional appropriation of $335,860, proposed by the Senate, for salaries Department of Justice, fiscal year 1935, $245,460 of such sum to be available for transfer to other appropriations of such Department, appropriates $250,000, of which $160,000 may be transferred to other appropriations; appropriates $25,000 for payment of rewards for the capture or leading to the capture of persons charged with violation of criminal laws, instead of $50,000, as proposed by the Senate; appropriates an additional $25,000 for traveling and miscellaneous expenses, fiscal year 1935, as proposed by the Senate; appropriates $293.74 for printing and binding, fiscal year 1932, as proposed by the Senate; appropriates $36,683 for rent of buildings in the District of Columbia, fiscal year 1935, as proposed by the Senate; appropriates $1,500,000 additional, instead of $1,896,990, as proposed by the Senate, for salaries and expenses, Division of Investigation, $80,000 of such sum being made available for personal services in the District of Columbia, instead of $91,190, as proposed by the Senate; appropriates an additional $22,750 for salaries and expenses, Division of Accounts, fiscal year 1935, as proposed by the Senate; appropriates an additional $125,000 for enforcement of antitrust and kindred laws, fiscal year 1935, instead of $140,800 as proposed by the Senate; appropriates $40,830, as proposed by the Senate, instead of $43,700, as proposed by the House, for domestic care under the marshal of the United States Supreme Court Building and Grounds, $25,830 of such sum, as proposed by the Senate, instead of $28,700 thereof, as proposed by the House, being set aside for personal services; appropriates an additional $100,000, instead of $140,000, as proposed by the Senate, for marshals' offices, United States courts, fiscal year 1935; appropriates an additional $75,000, instead of $100,000, as proposed by the Senate, for salaries and expenses of clerks, United States courts, fiscal year 1935; appropriates the additional amounts proposed by the Senate for fees of commissioners, United States courts, as follows: For 1930, $18.30; for 1931, $88; for 1932, $320.60; appropriates $465.99 for miscellaneous expenses, United States courts, fiscal year 1930, as proposed by the Senate, instead of $456.44, as proposed by the House; appropriates an additional $15,000 for the fiscal year 1935 for supplies for United States courts, as proposed by the Senate; strikes out the Senate provision excepting judges of the Supreme Court of the United States who have resigned or shall hereafter resign from the law requiring a reduction in their retired pay; and appropriates an additional $75,000 for the support of United States prisoners, fiscal year 1935, instead of $100,000, as proposed by the Senate.

On nos. 86 and 87, relating to the Navy Department: Appropriates an additional $3,072 for claims for damages growing out of collisions with naval vessels, as proposed by the Senate.

On nos. 88 to 101, relating to the Department of State: Owing to the act amending the Tariff Act of 1930, approved June 12, 1934, makes additional appropriations for the fiscal year 1935, as proposed by the Senate, as follows: Salaries $94,720, contingent expenses $4,000, promotion of foreign trade $75,000; appropriates $6,000 for death gratuity to widow of Foreign Service officer, as proposed by the Senate; appropriates $406.53 for reimbursement of Spanish Foreign Service officer representing American interests at Kiev, Russia, from March 1, 1918, to the end of February 1920, as proposed by the Senate; appropriates $17,555 for investigations under the International Joint Commission, United States and Great Britain, as proposed by the Senate, amended to provide that such sum shall be for the completion of such investigations; appropriates $75,000, instead of $90,000, as proposed by the Senate, for expenses incident to participation by the United States in the examination and settlement at Istanbul, Turkey, of claims of the Government of the United States and of the Turkish Republic against each other; strikes out the proposal of the Senate to make funds available to pay the quotas of the United States in the Permanent Association of International Road Congresses for the calendar years 1932, 1933, and 1934; strikes out the proposal of the Senate to make funds available for participation by the United States in the Seventh

International Roads Congress to be held in Munich, Germany, in 1934; appropriates $57,000, as proposed by the Senate, for expenses of the Mixed Claims Commission, United States and Germany; appropriates $170,000 for the expenses of settlement and adjustment of claims by the General and Special Claims Conventions, United States and Mexico, as proposed by the Senate, amended to provide that the work shall be completed within such sum; appropriates $1,000,000 in connection with the survey and construction of the proposed Inter-American Highway, as proposed by the Senate, amended to provide that expenditure shall be subject to the President being given such assurances as he may deem adequate of an appropriate measure of cooperation by the several Governments, members of the Pan American Union, and strikes out the appropriation of $10,000 proposed by the Senate to defray the expenses of the American group of the Interparliamentary Union.

On nos. 102 and 103, relating to the Treasury Department: Makes existing appropriations available for reimbursing the Federal Reserve Bank of Philadelphia for the expense of shipping cash under contract, and appropriates an additional $69,220 for the fiscal year 1935 for distinctive paper for United States securities, all as proposed by the Senate.

On nos. 104 to 106, relating to the War Department: Appropriates $16,000 for the purchase of land for rifle-range purposes at Fort Francis E. Warren, as proposed by the Senate; strikes out the appropriation of $6,000 proposed by the Senate for participation of Army units in ceremonies incident to the international celebration at Fort Niagara, N.Y., and strikes out the appropriation of $171,034.31 for payment to the city of Baltimore and the appropriation of $764,143.75 for payment to the city of New York for expenditures incurred by such cities incident to the Civil War, proposed by the Senate.

On nos. 107 to 120: Appropriates $52,819.80 for the payment of damage claims, as proposed by the Senate, instead of $34,863.27, as proposed by the House.

On nos. 121 to 132: Appropriates $124,818.53 for payment of judgments, United States courts, as proposed by the Senate, instead of $138,191.70, as proposed by the House.

On nos. 133 to 140: Appropriates $1,415,154.82 for payment of judgments, Court of Claims, as proposed by the Senate, instead of $1,135,170.15, as proposed by the House.

On nos. 141 to 258: Appropriates the additional sum of $227,232.06 for the payment of audited claims, as proposed by the Senate.

On nos. 259 and 260: Appropriates $24,319.25 for the payment of judgments against collectors of customs, as proposed by the Senate, instead of $24,319.25, as proposed by the House.

On nos. 261 and 262: Appropriates $137.13 for the payment of the claim of the estate of John C. Lederer, deceased, as proposed by the Senate, instead of $7, as proposed by the House.

On nos. 263 to 265: Appropriates $23,259.30 for payment of interest withheld from claimants by the Comptroller General, as proposed by the Senate, instead of $11,393.03, as proposed by the House.

On no. 266: Strikes out, as proposed by the Senate, the House provision providing for a charge upon privately owned automobiles housed in Government-owned shelters.

On no. 267: Corrects a section number.

On no. 268: Imposes a limit of $500,000,000, as proposed by the Senate, upon the employment of any savings or unobligated balances in the funds of the Reconstruction Finance Corporation for the purposes of the Federal Emergency Relief Act of 1933 and/or title II of the National Industrial Recovery Act.

On nos. 269 and 270, relating to relief in stricken agricultural areas: Appropriates $525,000,000, as proposed by the Senate, amended to limit the availability of the appropriation to June 30, 1935, instead of without year, and making it subject to allocation by the President; also, in lieu of the general exception proposed by the Senate as to the application of statutes governing the expenditure of public funds, provides for certain specific exceptions.

On no. 271: Provides for rail carriers giving special rates to drought sufferers without violating the Interstate Commerce Act, as proposed by the Senate.

On no. 272: Authorizes the Reconstruction Finance Corporation to purchase not exceeding $250,000,000 worth of marketable securities acquired or to be acquired by the Federal Emergency Administration of Public Works, receipts thus acquired by such Administration to be available for making additional loans (but not grants) under the provisions of title II of the National Industrial Recovery Act, as proposed by the Senate, in lieu of a similar House provision without limitation on the amount of purchases.

On nos. 273 and 274: Transfers enrollees of the Civilian Conservation Corps from the injury compensation provision of the act of March 31, 1933, to the provisions of the act of February 15, 1934, as proposed by the Senate, instead of making such a transfer as to all personnel connected with the Civilian Conservation Corps, as proposed by the House.

On no. 275: Appropriates $1,500,000 for the Petroleum Administration, instead of $2,096,000, as proposed by the Senate, eliminating, however, the Senate proposal that not to exceed $60,000 of the appropriation might be used for a survey of the effect of the code of fair competition for the petroleum industry on labor conditions in the petroleum industry.

On no. 276: In connection with the appropriation for emergency construction of public highways, provides that such appropriation shall be part of the $200,000,000 authorized to be appropriated by section 1 of H.R. 8781, as finally enacted by the Senate and House of Representatives, as proposed by the Senate.

On no. 277: Appropriates $10,000,000 for forest roads and trails, as proposed by the Senate, instead of $6,730,000, as proposed by the House, and strikes out, as proposed by the Senate, the House authorizations for an appropriation for such purposes for each of the fiscal years 1936 and 1937.

On no. 278: Strikes out, as proposed by the Senate, the authorization for an appropriation of $2,500,000 for each of the fiscal years 1936 and 1937 on account of the construction and maintenance of roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations.

On nos. 279, 280, and 281: Strikes out, as proposed by the Senate, the authorization for an appropriation of $5,000,000 for each of the fiscal years 1936 and 1937 for roads, trails, and bridges under the National Park Service; appropriates for such purposes for the fiscal year 1935, $5,000,000, instead of $7,500,000, as proposed by the Senate, and strikes out the proposal of the Senate requiring that such work as to location, type, and design shall have the approval of the Bureau of Public Roads.

On nos. 282 and 283: Appropriates $2,000,000 for the construction and improvement of Indian reservation roads for the fiscal year 1935, instead of $4,000,000, as proposed by the Senate; strikes out, as proposed by the Senate, the authorization of $2,000,000 for each of the fiscal years 1936 and 1937 on account of such work, and provides, as proposed by the Senate, that the location, type, and design of such work shall be approved by the Bureau of Public Roads.

On no. 284: Strikes out the appropriations for highways proposed by the Senate, as follows: Virgin Islands, $250,000, Alaska, $1,500,000, Puerto Rico, $1,000,000.

On no. 285: Continues available during the fiscal year 1935 the unexpended balance of the appropriations heretofore made for road and bridge flood relief, State of Alabama.

On no. 286: Inserts the amendment proposed by the Senate amending sections 4 and 5 of the Agricultural Adjustment Act relating to cotton held by the United States and providing an appropriation to enable the Secretary of Agriculture to pay off any debt or debts incurred by him or discharging any liens against such cotton. The House accepted the Senate amendment with an amendment, the effect of which is to provide that any funds remaining after the entire transaction has been completed shall be covered into the Treasury instead of being credited to the appro-

priation of the Agricultural Adjustment Administration, as proposed by the Senate.

On no. 287: Raises from $9,000, as proposed by the House, to $10,000, as proposed by the Senate, the limitation on salaries to be paid under sections 512 and 513 of the Revenue Act of 1934.

On nos. 288, 289, 290, and 291: Appropriates $1,500,000, as proposed by the Senate, for any expenses in connection with carrying out the Silver Purchase Act of 1934.

On no. 292: Inserts the amendment proposed by the Senate providing that after October 1, 1934, no part of the appropriation made in this act or heretofore made for the fiscal year 1935 shall be used to pay the salary of any person formerly employed as investigator, special agent, senior warehouseman, deputy prohibition administrator, agent, assistant attorney, assistant prohibition administrator, senior investigator, deputy production administrator, storekeeper or gager, or any other position in the Prohibition Bureau or Alcoholic Beverage Unit, Department of Justice, who was separated from the service of such Bureau or Unit between June 10, 1933, and December 31, 1933, while in any such position in the Treasury Department, unless and until such person shall be appointed thereto as a result of an open, competitive examination to be hereafter held by the Civil Service Commission, modified so as to change the date of October 1, 1934, to December 1, 1934.

On no. 293: Makes available $30,000 for a retaining wall and/or improvement on grounds of Federal building at Reno, Nev., as proposed by the Senate, except that the Senate amendment provided for a retaining wall only.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. A. AYRES,
WILLIAM W. ARNOLD,
W. B. OLIVER,
Managers on the part of the House.

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

There was no objection.

The Clerk read the report.

Mr. TABER (interrupting the reading of the conference report). Mr. Speaker, I would suggest to the chairman of the committee that he ask unanimous consent that the further reading of the conference report be dispensed with and the report printed in the RECORD.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to dispense with the further reading of the conference report.

Mr. BRITTEN. Mr. Speaker, I reserve the right to object.

Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, how long is this conference report? There are some very important items that have been cut out of this bill and this House has a right to know just what they are. There is no print of the conference report and I am interested in two items that have been eliminated.

Mr. TABER. No one can hear the report being read and I was going to ask the gentleman from Texas to explain it.

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

Mr. COCHRAN of Missouri and Mr. BRITTEN objected.

The Clerk resumed the reading of the conference report.

Mr. COCHRAN of Missouri (interrupting the reading of the conference report). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN of Missouri. Mr. Speaker, how are the Members of the House to understand what an amendment is when we have no copy of the amendment and the report simple states 'amendment no. so-and-so", "the House recedes", or "the Senate recedes"? What information has the House about the amendments?

The SPEAKER. The amendments will be explained after the reading of the conference report.

The Clerk concluded the reading of the conference report.

Mr. BUCHANAN. Mr. Speaker, this is the last appropriation bill. Your Appropriations Committee and your conferees have done their level best to bring back to you a bill for approval by this conference report that reflects equal and exact justice to every section of our country. I shall not try to give you a detailed account of every item in this vast bill. Such a task would be impossible in the time allotted. I shall give you a general review of the emergency provisions of the bill and the amounts of money available for the different branches of relief work.

The original bill as passed by the House carried a general emergency item of $899,675,000, to be allotted for the Tennessee Valley Authority, the Public Works Administration, the Emergency Relief Administration, and the C.C.C. camps. In addition to this, it carried authority for the allotment of unobligated balances from the Reconstruction Finance Corporation to the Relief Administration, and P.W.A. Under this conference report a limitation is placed on the amount of unobligated balances of Reconstruction Finance Corporation funds that can be transferred to either the Emergency Relief Administration, or to Public Works, of $500,000,000.

The bill carries $525,000,000, the amount of the estimate, for emergency or drought relief, to be spent in the drought-stricken agricultural areas of our country.

The bill carries authority for P.W.A. securities, municipal bonds, and the like, to be taken up or sold to the Reconstruction Finance Corporation, to the amount of $250,000,000. This amount of money that is paid by the Reconstruction Finance Corporation for securities sold to the corporation is subject to reloan by the P.W.A.; in other words, the $250,000,000 of securities that may be sold by the P.W.A. to the R.F.C. is for the present a revolving fund.

So to summarize, the amount that will be available for these two relief organizations, I may state to you, is as follows: For relief work, under Mr. Hopkins, there will be available from this and previous appropriations nearly $1,400,000,000 to be spent in the next 8 months.

There will be, through direct appropriations and through securities taken by the Refinance Corporation, available to the P.W.A. in the neighborhood of $800,000,000 or $900,000,000 for public works.

The testimony shows that Mr. Ickes stated that in making loans from this fund he will give preference to city waterworks, sewerage projects and similar public works.

We did not appropriate money to the Public Works Administration for public buildings. The bill takes public buildings away from the Public Works Administration and vests jurisdiction over the selection of projects in the Secretary of the Treasury and the Postmaster General, where such jurisdiction should have been all the time. [Applause.]

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

Mr. BUCHANAN. I yield.

Mr. CARTER of California. Will the gentleman state what that amount is. Is it the same as the amount in the House bill?

Mr. BUCHANAN. Sixty-five million dollars; and I am informed that when this bill goes through, in less than 90 days, the Secretary of the Treasury, acting through Admiral Peoples, will have 80 or 90 percent of the buildings selected on the way to construction. If I had the time I could tell you why there has been so much delay in the construction of public buildings in this country.

The bill makes an appropriation of $119,500,000 for public roads of all kinds, including park roads, forest roads and trails, and roads through Indian lands, justly distributed among the States, so there will be $119,000,000 of new money for highway construction for the next fiscal year.

In addition to this there is authority carried in the bill that the Secretary of Agriculture can allot and actually place under contract, another $100,000,000, so that the work can be done during the next fiscal year, although not paid until the following fiscal year.

So that with the funds we appropriate in the public highway program and otherwise make available there can be no excuse for lagging on employment in the public-road construction.

And so summarizing, the bill appropriates or otherwise makes available for emergency work a total of $2,359,175,000. Add to that $150,000,000 that we have already appropriated for relief for the livestock and dairying industry, $40,000,000 that we have already appropriated for seed loans, and $950,000,000 for emergency relief and C.W.A., we have a total at this session for relief of various characters of $3,499,175,000, or about $300,000,000 less than we made available last session. You know that we had this year $3,300,000,000 for national recovery and $500,000,000 for emergency relief.

Mr. LANZETTA. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. LANZETTA. The gentleman says $100,000,000 is appropriated for public roads and highways. Does that include outlying territory?

Mr. BUCHANAN. It does not.

Mr. LANZETTA. Was the amount for Puerto Rico and Alaska stricken from the bill? The bill contained items for construction in the Virgin Islands, $250,000; Alaska, $1,000,000; and Puerto Rico, $1,000,000.

Mr. BUCHANAN. That was disagreed to in conference.

Mr. LANZETTA. Will the gentleman state whether that disagreement came on the part of the House conferees or the Senate conferees?

Mr. BUCHANAN. That is pretty hard to tell.

Mr. LANZETTA. I understand the Senate put that in the deficiency bill to take care of outlying territory.

Mr. BUCHANAN. If the Senate had persisted the outlying territory might have gotten something for roads. But there is no reason why they cannot get road money next year as they did this year from the allotment from public road funds.

Mr. DIMOND. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. DIMOND. With respect to Senate amendment 284 which will be omitted from the bill upon adoption of a conference report, was the elimination of this amendment intended to prevent the Public Works Administration from allotting out of the Public Works moneys carried by the bill funds for roads in Alaska?

Mr. BUCHANAN. It was not, and it is not intended that any limitation or restriction shall be placed on the President to allot money to Alaska or Puerto Rico or the Virgin Islands or any other possession. You will remember that Alaska got $1,100,000 this present fiscal year from public roads through the allotment of public works.

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

Mr. BUCHANAN. Yes.

Mr. McCORMACK. Will the gentleman state what happened, if anything, to the appropriation for the Department of Justice?

Mr. BUCHANAN. The Department of Justice got considerable appropriations in this bill. Nothing happened to them except that we scaled some of them down a little.

Mr. McCORMACK. How much?

Mr. BUCHANAN. I have not the total amount that we scaled them down, but we did not scale them down very materially.

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

Mr. BUCHANAN. Yes.

Mr. BRITTEN. As the chairman of this important committee realizes, it was impossible to follow the reading of the conference report because of the tumult in the House. I failed to observe what happened to amendment numbered 106, on page 63, affecting the cities of Baltimore and New York.

Mr. BUCHANAN. That amendment went out.

Mr. BRITTEN. What happened to amendment numbered 275 on page 76, for the petroleum code, $1,500,000 being appropriated?

Mr. BUCHANAN. We allowed $1,500,000 and eliminated the item of $60,000 that provided for a labor survey to determine the effect of the N.R.A. code on labor in the oil industry.

Mr. BRITTEN. Will the gentleman indicate why it is necessary to appropriate $1,000,000 for a particular code, when there are several hundred codes?

Mr. BUCHANAN. We did not appropriate for a code; we appropriated for the oil industry, to administer an act, in which tremendous power is given to the man who administers it.

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

Mr. BUCHANAN. Yes.

Mr. HEALEY. The gentleman states that $65,000,000 were allotted for public buildings. Is that going to be sufficient for the public buildings already approved?

Mr. BUCHANAN. No. The lists carried in the report of the Appropriations Committee of the House would take $150,000,000 to build all the buildings.

Mr. HEALEY. And only $65,000,000 was allotted for them?

Mr. BUCHANAN. Yes. We cannot build all the buildings in the United States in 1 year.

Mr. LANZETTA. Mr. Speaker, the gentleman stated that public works funds can be used for buildings in Alaska, Hawaii, Puerto Rico, and other outlying territories. Does the gentleman think that Secretary Ickes will make these appropriations for these outlying territories?

Mr. BUCHANAN. I just stated to the gentleman that I am not a mind reader.

Mr. LANZETTA. Does the gentleman not think that the appropriations for these outlying territories should have been contained in the bill and not be put up to the mercy of Secretary Ickes?

Mr. BUCHANAN. The gentleman will remember that these outlying territories have had considerable allotments far in excess of the ordinary amount they usually get for 1 year, and all of these allotments have not been expended.

Mr. LANZETTA. And the gentleman will also realize that continental areas have received large allotments for road building.

Mr. BUCHANAN. I realize that, and individually, I should like to have seen them have a small amount in this bill.

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

Mr. BUCHANAN. Yes.

Mr. GLOVER. If I understood the gentleman's statement correctly, the language carried in the conference report with reference to public buildings is the same language that was in the bill when it passed the House.

Mr. BUCHANAN. It is identical.

Mr. ALLGOOD. How is the $65,000,000 for public buildings divided as between the States and the District of Columbia?

Mr. BUCHANAN. The $65,000,000 applies entirely out of the District of Columbia.

Mr. LANZETTA. In view of the statement made by the gentleman that he is not a mind reader and cannot read the mind of Mr. Ickes——

Mr. BUCHANAN. Can the gentleman?

Mr. LANZETTA. Does not the gentleman think it will be fair to these outlying territories to permit the Senate amendment to remain in the bill?

Mr. BUCHANAN. I feel confident that the President of the United States will do justice to the outlying possessions. That is one consolation I have. I believe he will do justice, because he is a wise and fair and just man, and I think you can safely rely upon him.

Mr. LANZETTA. I agree with the gentleman so far as the President is concerned.

Mr. BUCHANAN. Mr. Speaker, I have consumed about as much time as I should. Other people may want time on this bill. In conclusion, I state to the membership of this House that I have supported all the appropriations in the emergency program. I have gone along and advocated those appropriations because I thought that by making them, by wisely expending them, and with the cooperation of private enterprise throughout the United States, our country would recover from this depression; and why should it not recover? We have the greatest country in the world. God certainly smiled when He created it, and we have the greatest, the

most progressive, the most initiative, and the most indomitable people in the world. They have the intellect, the energy, and the initiative to bring this country out of this depression. All they want is a sympathetic Government. [Applause.]

Mr. FULMER. Can the gentleman tell me what percent of the total amount allotted for roads can be used on secondary roads or roads other than the Federal system of roads?

Mr. BUCHANAN. I do not recall what the final report on that is. I know in the House, in H.R. 8781, it could be done, and I think it can be done as that bill became law.

Mr. JOHNSON of Texas. With reference to projects not Government projects, where municipalities have voted bonds to construct waterworks, and those projects have been approved, what is the chance of an allotment's being made for construction of waterworks in these small towns?

Mr. BUCHANAN. The best chance of any application for a loan, especially those that have been approved. The Administrator of Public Works testified that he would give preference to waterworks, sewers, and such things, for cities or towns.

Mr. JOHNSON of Texas. I hope that will be done, because a great many municipalities have voted their bonds and gone to the expense of employing engineers. If they should now be denied construction of those projects, there would be a great many heartaches.

Mr. BUCHANAN. That is what the Administrator said.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WHITTINGTON. As I understand the gentleman, this report carries $100,000,000 as grants for highways during the next year; $100,000,000 as grants to the States, with the provision that the Secretary of Agriculture will make contracts for $100,000,000 more to be covered by an additional appropriation.

Mr. BUCHANAN. Correct.

Mr. WHITTINGTON. So that the $200,000,000 authorized by the Highway Act is thus provided for?

Mr. BUCHANAN. Yes.

Mr. CARTER of California. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CARTER of California. The gentleman stated there was something less than $900,000,000 for public works?

Mr. BUCHANAN. Between eight and nine hundred million.

Mr. CARTER of California. Could the chairman inform the House how that is divided between Federal and non-Federal projects?

Mr. BUCHANAN. The administrator testified that he would apply about 75 percent of that to non-Federal projects.

Now, Mr. Speaker, I yield to my colleague from New York [Mr. TABER] 5 minutes.

Mr. TABER. Mr. Speaker, this bill calls for $10,890,000 more than it did when it passed the House. Most of that is composed of items which ordinarily occur in the operations of the Government. All of them are represented by a Budget estimate.

Mr. HOLMES. Will the gentleman yield?

Mr. TABER. I yield.

Mr. HOLMES. Is any of that part applicable to veterans?

Mr. TABER. Oh, not any amount. I do not know of any particular item on that.

Amongst the items are one and one-half million dollars to carry on this oil proposition we have heard about, and $1,000,000 to build a highway down in Mexico and Central America. That was originally put in here as an emergency item, but it now comes in here as a regular item. I do not know how much that is going to cost the United States. Frankly, speaking for myself, I do not believe it is wise for us to indulge in building a highway outside the United States.

Now, the bill calls for unusual emergency items of $629,800,000. Of those $525,000,000 is for relief in the drought areas. It is not specified that way exactly in the bill. It calls for relief in the stricken agricultural areas. It calls for $100,000,000 for cotton. I want to tell the House a little about that situation.

It calls for $100,000,000 to be used by the Secretary of the Treasury, in his discretion, to pay off any debt or debts which might have been or may be incurred by the Secretary of Agriculture on account of liens on cotton. At the present time there are $60,000,000 owed to a bank and $40,000,000 owed to the Reconstruction Finance Corporation. The reason alleged for this was fear that that loan might be called or the Government might be asked to pay too much interest. But what gets me on it is that it is drawn in such a way that it can cover future loans that are made, and it is not limited to loans that already exist.

Mr. HOPE. Will the gentleman yield?

Mr. TABER. I yield.

Mr. HOPE. What cotton is this?

Mr. TABER. Cotton that the Secretary of Agriculture has bought.

Mr. HOPE. Is it cotton taken from the Farm Board stocks?

Mr. TABER. That I do not know.

Mr. HOPE. Can the gentleman state when this cotton was bought?

Mr. TABER. No; I do not know. It did not appear in the talk that we had with the Senate. It may be in the hearings, but I have not had a chance to go over the details of those hearings which the Senate had. The Senate did not have any hearings on this, because this was put in on the floor of the Senate, and this is an item that the conferees necessarily could not know very much about.

Mr. BLANCHARD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANCHARD. That is a superficial reason given for paying off this loan, the threat of banks to raise the interest rate from 1½ percent to 5 percent, because no bank would do that on a Government loan.

Mr. TABER. I do not believe any bank wants any loan called that is good, right now.

Mr. FOSS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. FOSS. Is there anything in this report that would provide for the building of a factory at Reedsville, W.Va.?

Mr. TABER. There is not anything specific.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. BUCHANAN. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. TABER. There is not anything specific. Of course, the Secretary of the Interior, as Chairman of the Board of Public Works, can allot any part of those funds that are specifically appropriated to him, for something of that character. He has already allotted $525,000 of the $3,300,000,000 that was appropriated a year ago.

Mr. FOSS. Does the gentleman understand from that that he could allot $650,000 from the money that is provided in this appropriation for the building of that factory?

Mr. TABER. There would not be anything to stop him.

Mr. MAPES. Will the gentleman yield?

Mr. TABER. I yield.

Mr. MAPES. My understanding is that the Comptroller General has not yet ruled that P.W.A. funds can be used for building the factory in Reedsville.

Mr. TABER. I hope that is the fact. I probably would be wrong if the Comptroller General would rule on it that way, and there would be no authority in the P.W.A. to allot funds this way.

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

Mr. TABER. I yield.

Mr. JENKINS of Ohio. The gentleman will remember that the House passed what was known as the "Cartwright bill" carrying $200,000,000 for public roads. I see in this bill the amount has been reduced to $100,000,000. What will become of this other $200,000,000 that was appropriated in the Cartwright bill?

Mr. TABER. There was not $200,000,000 in addition to this. As I understand it, there is $100,000,000 carried in this bill, together with contract authorizations for $100,000,000 more, which makes $200,000,000. So they can go ahead this year with contracts for $200,000,000 just as soon as this bill becomes a law. Is that correct, Mr. Chairman?

Mr. BUCHANAN. The gentleman is correct.

Mr. JENKINS of Ohio. The gentleman will remember that the Cartwright bill carried a provision that 25 percent of the money should be used on feeder road—country roads. Will that amendment with regard to the 25 percent for feeder roads apply to the use of this $100,000,000?

Mr. TABER. We have just appropriated money in accordance with the authorization contained in that bill. We have not attempted to change the legislative provisions of the Cartwright bill. Is that correct, Mr. Chairman?

Mr. BUCHANAN. Yes.

Mr. JENKINS of Ohio. This is a matter of very great importance. The gentleman says $100,000,000 is carried in this bill and another $100,000,000 is provided for under contract authorization?

Mr. TABER. One hundred million dollars in direct cash and $100,000,000 in contract authorizations, which is just as good as cash, because this $200,000,000 could not possibly be spent before the 1st of July 1935. In my judgment, $100,000,000 is as much as they can possibly spend. There will be plenty under this $100,000,000, in my opinion.

Mr. JENKINS of Ohio. According to the gentleman's understanding, then, the $100,000,000 appropriated and the $100,000,000 contract authorizations will be subject to this 25-percent provision?

Mr. TABER. That is my understanding.

Mr. JENKINS of Ohio. Mr. Speaker, may I ask whether or not that is the understanding of the chairman of the committee?

Mr. BUCHANAN. The second $100,000,000 can be allocated and contracted this year subject to the provisions of the bill passed by the House and agreed to by the Senate.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. TAYLOR of Tennessee. I have been interested in Senate amendment no. 292. Is not its effect to require the men who are now in the civil service and who have already qualified under civil service to take civil-service examinations again?

Mr. TABER. The effect of amendment no. 292 is to wipe out and separate from the service those men with civil-service status who passed the civil-service examinations and who have been appointed, unless they pass another civil-service examination, and, as I understand it, are appointed again.

Mr. TAYLOR of Tennessee. Is it not the gentleman's opinion that this is just a subterfuge to get rid of Republican employees?

Mr. TABER. It is a subterfuge, not necessarily to get rid of Republicans but to get rid of existing civil-service employees. Of course you have to expect that sort of thing these days. They have not any respect, of course, for the civil service law.

Mr. TAYLOR of Tennessee. It is an attack upon both the civil service and the Republican employees.

Mr. TABER. Of course.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, in the turmoil that accompanied the reading of the report it was practically, if not entirely, impossible to know just what the various amendments constituted.

This bill is 113 pages in length and contains 292 Senate amendments. Since the war days on the floor of this House no expenditures have been made which are comparable to the appropriations carried in this bill—two thousand million dollars—with provision made, as near as I can tell, for appropriating additional funds up to about $3,000,000 for salaries alone in the coming fiscal year. In addition to what has already been carried, appropriations are being made for the A.A.A., the P.W.A., the T.V.A., the R.F.C., the C.W.A., the N.R.A., and the F.A.C.A. to such gigantic proportions that if this Congress lasted another 30 days there would be no more anagrams left and we should have nothing but our B.V.D.'s.

Such an orgy of spending has never been known in the history of the world during peace times. Just how long our Federal Treasury can stand this strain is hard to comprehend.

Mr. MONAGHAN of Montana. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. I yield to the gentleman from Montana.

Mr. MONAGHAN of Montana. Is the gentleman for the bill?

Mr. BRITTEN. Yes. I shall vote for the bill as a compliment to the opinion and desire of the President. It may be necessary to spend these stupendous amounts to controvert the depression. I hope we are not making a mistake. I am willing to presume that the administration knows what it is doing, but sometimes I wonder if we are not handling the taxpayers' money carelessly.

Mr. Speaker, this bill carries $75,000 for a codification, or something like that, of the air-mail laws. If $75,000, which is an unimportant amount, will prevent in the future the blunders of the present administration in its manipulation of the air-mail contracts, I say let us pass the bill at once and include the $75,000. I hold in my hands a tabulation of the many Senate amendments.

In every department of the Government there are such items as $306,000, $30,000, $45,000, $11,000, $57,000, all for salaries of clerks and others. Some of the items are for clerks outside of the classified service, running into millions of dollars. One would imagine there was no limit to the Federal Treasury, and no limit to the demands that might be made by this Government, in spite of the fact that you gentlemen on the other side of the aisle have been preaching economy and were elected on that platform.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. COLE].

Mr. COLE. Mr. Speaker, may I express my disappointment in the fact that the claim of the city of Baltimore is not allowed in this conference report. When conferees such as we have had on this bill decide that this claim is not to be included, I have such respect and esteem for these gentlemen as to take my medicine; but only because of the parliamentary situation, which will not permit changes at this time. Let me emphasize: This claim, of tremendous importance to the city of Baltimore, passed the Senate, was reported out by a House committee, and was on the Speaker's table. The distinguished senior Senator from Maryland was able to have the claim allowed as an amendment to the deficiency appropriation bill and in this move the distinguished junior Senator from Maryland, Senator GOLDSBOROUGH, assisted. For this reason it was not presented to the House under suspension of the rules. I understand the conferees felt that because the legislation had not passed the House it should not be in this bill. It is a meritorious claim, and I ask unanimous consent, Mr. Speaker, to include in the extension of my remarks the very able and convincing report of the distinguished Senator from Kentucky [Mr. LOGAN] on the merits of this claim.

The SPEAKER pro tempore (Mr. MEAD). Is there objection to the request of the gentleman from Maryland?

There was no objection.

The report is as follows:

[S.Rept. No. 721, 73d Cong., 2d sess.]

CITY OF BALTIMORE, STATE OF MARYLAND

Mr. LOGAN, from the Committee on the Judiciary, submitted the following report (to accompany S. 3272):

The Committee on the Judiciary, to whom was referred the bill (S. 3272) for the relief of the city of Baltimore, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

Said bill reads as follows:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the city of Baltimore, the sum of $171,034.31, being the balance of the amount incurred and expended by said city of Baltimore to aid in the construction of works of national defense in 1863, at the request of Maj. Gen. R. C. Schenck, United States Army, and as found and reported to the Senate on May 3, 1930, by the Comptroller General of the United States."

By virtue of Senate Resolution 246, which passed the Senate on May 28, 1928, the Comptroller General of the United States was directed to readjust the claim of the city of Baltimore for amounts advanced at the request of Maj. Gen. R. C. Schenck, dated June 20, 1863, to aid the United States in the construction of works of defense, as allowed by the accounting officers of the Treasury and reimbursed pursuant to the Sundry Civil Act, approved March 3, 1879 (20 Stat. 385), and to report the amount so ascertained to the Senate for consideration.

On February 28, 1929, the Comptroller General of the United States submitted to the President of the Senate a preliminary report (S.Doc. 662, 70th Cong., 2d sess.), and on May 3, 1930, submitted a final report.

These reports disclose as follows:

1. That, to enable the city of Baltimore to provide funds called for by Maj. Gen. R. C. Schenck for the use of the Federal Government for the national defense, the amount of $96,152 was temporarily withdrawn from the general funds in the city treasury during the period from June to August 1863, and reimbursed by the city to said general funds in the city treasury from the proceeds of a bond issue dated September 1, 1863. That said amount of $96,152 was reimbursed to the city in the Sundry Civil Act of March 3, 1879, as a certified claim. (See debate in the Senate Feb. 28, 1879, CONGRESSIONAL RECORD, pp. 2064–2065, and Mar. 3, 1879, CONGRESSIONAL RECORD, p. 2297.)

2. That the bonds issued by the city of Baltimore to provide said $96,152 ran for a period of 30 years, and that the bonds were redeemed on September 1, 1893. That during the period September 1, 1863, to September 1, 1893, the city expended for interest payments on the bonds which yielded the said $96,152 advanced for the use of the Federal Government the sum of $171,034.31, the amount named in the bill.

At the time the above payment of $96,152 was made to the city of Baltimore, it was the declared policy of the accounting officers not to reimburse moneys paid out by the several States for interest paid on bonds issued by said States to raise funds to be advanced to the Federal Government for the national defense. January 6, 1896, this policy was changed by a decision of the Supreme Court of the United States in the case of the *State of New York* v. *United States* (160 U.S. 598), after which the settled accounts of the various other States which had issued bonds and paid interest thereon for the purpose of utilizing the proceeds in making advances to the Federal Government for the national defense during the Civil War, and which accounts had only been settled on the basis of the principal sum that had been advanced by said States to the Government, were, by special acts of Congress, reopened, and said States were refunded the amount of interest paid on so much of the proceeds of said bonds as the States had utilized by way of advances to the United States for the national defense.

Inasmuch as the several States have been refunded the amount of interest paid by them on so much of the proceeds of said bonds as the States had utilized by way of advances to the United States for the national defense during the Civil War, your committee feel that the city of Baltimore also should be refunded the amount of interest in the sum of $171,034.31 paid by said city on so much of the proceeds of the bonds issued by it as said city had utilized by way of advances to the United States for the national defense during the Civil War, as found and reported by the Comptroller General of the United States.

The reports of the Comptroller General of the United States to the President of the Senate are hereto appended.

In the Seventy-second Congress, first session, your committee reported in favor of the payment of this claim, and your committee again recommend payment thereof.

Mr. BUCHANAN. Will the gentleman yield?

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

Mr. BUCHANAN. I want to state to the gentleman from Maryland that I shoulder the responsibility for defeating the amendment in reference to Baltimore and New York. The amendments were put in on the floor of the Senate last night, with no hearing, and they arise out of claims going back to the Civil War in 1863. Personally, I will have to know something about a proposed appropriation before I will recommend it. If the gentleman will come here next Congress and present the facts, and I think they are entitled to it, I will advocate the claim.

Mr. COLE. The gentleman states there was no hearing. On the contrary, there were very extensive hearings before a Senate committee, and the House committee; the latter on the bill introduced by my colleague Congressman KENNEDY, and in which my colleagues Congressmen GAMBRILL, PALMISANO, GOLDSBOROUGH, and LEWIS were equally interested with me.

Mr. BUCHANAN. I am talking about the Appropriations Committee of the House.

Mr. COLE. It was not before the gentleman's committee; but the merit of the claim would convince anyone without a hearing if he would study the report to which I have referred.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the adoption of the conference report.

Mr. COCHRAN of Missouri. Mr. Speaker, a parlimentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. COCHRAN of Missouri. Am I correct in assuming that the question cannot be divided and we cannot get a separate vote on any item in the conference report? It is a question of take it or leave it?

The SPEAKER pro tempore. The gentleman's assumption is correct.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The conference report 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 agrees to the amendment of the House to a bill of the Senate of the following title:

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.

The message also announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 8954. An act to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River";

H.R. 9275. An act to provide for the protection and preservation of domestic sources of tin;

H.R. 9769. An act to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes";

H.J.Res. 366. Joint resolution to simplify the administration of air-mail routes and contracts; and

H.J.Res. 452. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935;

SETTLEMENT OF WAR CLAIMS ACT OF 1928

Mr. COOPER of Tennessee. It passed the House unanimous consent to take from the Speaker's desk H.J.Res. No. 365, to amend the Settlement of War Claims Act of 1928 as amended, with Senate amendments, and agree to the Senate amendments.

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

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 4, after line 19, insert section 36 of the Emergency Farm Mortgage Act of 1933, as amended, is amended:

I. By striking the comma and the word "and" after the words "to reduce and refinance its outstanding indebtedness carried in connection with any such project" in the second sentence thereof and inserting in place thereof the following: "or whether or not it has any such indebtedness, to purchase or otherwise acquire in connection with such projects, storage reservoirs or dams or sites therefor or additional water rights or canals, ditches or rights-of-way for the conduct of water or other works or appurtenances necessary for the delivery of water provided said purchase or acquisition is not intended to bring additional lands into production by such loans."

II. By adding at the beginning of (5) thereof, the following: "In case of a loan to reduce or refinance its outstanding indebtedness."

III. By adding at the beginning of (c) thereof the following: "In the case of a loan to reduce or refinance the outstanding indebtedness of an applicant."

Mr. JENKINS of Ohio. Mr. Speaker, may I ask for an explanation of the amendments? As I understand it, this is simply the same bill as was passed by the House. It has gone over to the Senate and some extraneous amendments have been placed on it.

Mr. COOPER of Tennessee. The gentleman is correct. This resolution has passed the House unanimously. It simply provides that in the case certain funds which are now held in the Treasury Department, where German nationals, growing out of the War Claims Act, are entitled to payment of these funds and at the same time certain American nationals are entitled to certain payments from the German Government or other nationals, this simply gives the Secretary of the Treasury the authority to hold these funds due other nationals until they make some provision for the payment of our nationals.

Mr. JENKINS of Ohio. The House and Senate have both agreed?

Mr. COOPER of Tennessee. It passed the House unanimously, and it passed the Senate just as it passed the House.

Mr. JENKINS of Ohio. How about the amendment?

Mr. COOPER of Tennessee. In that body an amendment was added. It only provided for the Reconstruction Finance Corporation to have authority to make loans to an irrigation district in Idaho.

The amendments were agreed to.

A motion to reconsider was laid on the table.

UNIFORM SYSTEM OF BANKRUPTCY THROUGHOUT THE UNITED STATES

Mr. GREGORY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3580) 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, with House amendments, insist upon the House amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, what is this bill?

Mr. JONES. The Senate simply insists that it shall only apply to existing indebtedness and not future indebtedness.

Mr. GREGORY. It really makes it a better bill.

Mr. BLANCHARD. Further reserving the right to object, I want to know about the language of the Senate amendment.

Mr. GREGORY. The Senate amendment simply limits it to debts already incurred so that it does not apply to any future debts.

Mr. MAPES. Mr. Speaker, this is important legislation and we should like to knok what the changes are that have been made by the Senate.

Mr. GREGORY. The only change made by the Senate is to limit the provisions of the bill to indebtedness already incurred; in other words, it would not apply to future debts on farms, but only past or existing debts.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees:

Messrs. GREGORY, RUFFIN, and KURTZ.

RETURN OF SEIZED VESSELS

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3646) 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.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 938 of the Revised Statutes (U.S.C., title 28, sec. 751) is amended by adding at the end thereof the following new sentence: "Notwithstanding the provisions of this section or any other provisions of law relating to the return on bond of vessels seized for the violation of any law of the United States, the court having jurisdiction of the subject matter may, in its discretion and upon good cause shown by United States, refuse to order such return of any such vessel to the claimant thereof."

SEC. 2. That subsection (b) of section 11 of the Air Commerce Act of 1926, as amended (U.S.C., supp. VII, title 49, sec. 181), is amended by striking out the first sentence thereof and inserting in lieu thereof the following two new sentences: "Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 7 (b) of this act, or (2) any immigration regulation made under such section, shall be subject to a civil penalty of $500 which may be remitted or mitigated by the Secretary of Commerce, or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe. Any person violating any customs or public health regulation made under section 7 (b) of this act, or any provision of the customs or public-health laws or regulations thereunder made applicable to aircraft by regulation under such section shall be subject to a civil penalty of $500, and any aircraft used in connection with any such violation shall be subject to seizure and forfeiture as provided for in such customs or public-health laws, which penalty and forfeiture may be remitted or mitigated by the Secretary of the Treasury."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. LEWIS of Colorado. A similar House bill was unanimously reported by the Judiciary Committee. This bill simply provides an amendment to the present Revised Statutes so that it is within the discretion of the court to release vessels which have been seized for violation of customs laws.

Mr. MARTIN of Massachusetts. This was a unanimous report from the Judiciary Committee in the first instance?

Mr. LEWIS of Colorado. Yes. It also includes an amendment to the present statute providing for the forfeiture of aircraft which have been used in violation of the customs and public-health laws.

Mr. ELTSE of California. Mr. Speaker, further reserving the right to object, who has the discretion at the present time?

Mr. LEWIS of Colorado. There is no discretion, because the courts have interpreted the present law as being mandatory that the vessel seized for violation of law must be returned to the claimant if a proper bond is filed. The Secretary of the Treasury and the Attorney General are very anxious that this bill should be passed. Under the present laws vessels have been released on bonds and then used for smuggling purposes.

The report of the committee is as follows:

The Committee on the Judiciary, to whom was referred the bill (H.R. 9746) 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 amendel, to provide for the forfeiture of aircraft used in violation of the customs laws, after consideration, report the same favorably to the House, with the recommendation that the bill do pass.

The purpose and effect of this proposed legislation are explained in the following communication from the Attorney General, with its accompanying memorandum:

MAY 15, 1934.

Hon. HATTON W. SUMNERS,
Chairman Committee on the Judiciary,
House of Representatives.

MY DEAR MR. CHAIRMAN: At the request of the Treasury Department I transmit herewith, and request that you introduce it, a bill to amend section 938 of the Revised Statutes so as to vest the United States 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, so as to provide for the forfeiture of aircraft used in violation of the customs and public-health laws. The purpose and effect of this measure are set forth in more detail in the enclosed memorandum.

With respect to the proposed amendment of section 938, Revised Statutes, however, it is desired to point out that where a vessel is seized under the customs laws and the claimant files with the court a proper bond and the vessel is returned to him, the vessel proceeds on its way and judgment, if against the claim-

ant, is given on the bond. The provision for the release of the vessel on bond has been construed as mandatory upon the courts. The result has been that vessels released over the protest of the Government have continued in liquor-smuggling operations or other law violations and in some instances the same vessel has been seized two or three, or perhaps more, times. Such conditions should not be permitted to continue; and some courts, being of this mind, have expressed a willingness to hold vessels if they were given discretion in the matter. The proposed amendment of section 938, Revised Statutes, would authorize the court in its discretion and upon good cause shown by the Government to refuse to order the return of any such vessel or vehicle to the claimant.

I regard the proposed amendment as highly desirable in the interest of Federal law enforcement and hope that you may be able to lend your support to the enclosed bill.

Sincerely yours,

HOMER S. CUMMINGS,
Attorney General.

MEMORANDUM CONCERNING PROPOSED BILL TO VEST IN FEDERAL COURTS DISCRETIONARY POWER TO RETURN UNDER BOND VESSELS SEIZED FOR VIOLATION OF LAWS OF THE UNITED STATES, AND TO MAKE APPLICABLE THE SEIZURE AND FORFEITURE PROVISIONS OF CUSTOMS LAWS FOR A VIOLATION OF THE SAME BY AIRCRAFT

"The proposed bill will—

"I. Make discretionary the present mandatory provisions of the Judicial Code providing for the return under bond of vessels seized for violation of any law of the United States.

"II. Make applicable to aircraft, in addition to the administrative provisions, the seizure and forfeiture provisions of the customs and public-health laws for violation thereof.

"*Vesting Federal courts with discretionary power to refuse to order return of vessels seized for a violation of any law of the United States.*—Because of the conflict existing in the decisions of the inferior Federal courts, considerable difficulty was experienced in the enforcement of the prohibition law and is being experienced in enforcement of the customs laws with reference to the mandatory provisions of section 771 of the Judicial Code (R.S. 938) directing the court to return under bond vessels seized while smuggling contraband articles into the United States.

"Section 1 of the proposed bill (attached hereto) amends section 938 of the Revised Statutes by vesting in the courts the discretion to refuse to return under bond any vessel seized for a violation of any law of the United States, upon good cause shown by the United States.

"*Making applicable the seizure and forfeiture provisions of the customs and public-health laws for a violation of the same by aircraft.*—A review of aircraft laws and regulations with reference to customs and public-health laws will be helpful in clarifying the purpose of the proposed amendment:

"(1) The definitions of the term 'vehicle' and 'vessel' contained in the Tariff Act of 1922 included 'aircraft.'

"(2) Section 7 (b) of the Air Commerce Act of 1926 authorized the Secretary of the Treasury '* * *' by regulation to provide for the application to civil air navigation of the laws and regulations relating to the administration of the customs and public-health laws to such extent and upon such conditions as he deems necessary.'

"(3) Section 11 (b) of such Air Commerce Act provided that 'any person who * * * violates * * * any customs or public-health regulation made under such section (sec. 7 (b)) * * * shall be subject to a civil penalty of $500 * * *.'

"(4) The definitions of the terms 'vehicle' and 'vessel' contained in the Tariff Act of 1932 exclude aircraft. However, section 644 of such act specifically provided that '* * * the authority vested in the Secretary of the Treasury under section 7 (b) of the Air Commerce Act shall extend to provisions of the Tariff Act of 1932.'

"(5) The Customs Regulations of 1931 provide by regulation for (1) landing at airports of entry, (2) giving of advance notice of arrival, (3) producing manifest upon arrival, (4) reporting of forced landing, (5) inspecting imported goods and paying duty thereon, (6) issuing permits for foreign aircraft to proceed inland, and (7) procedure relative to clearance. These regulations cover virtually all situations in which aircraft could be affected by the customs laws. The regulations then provide as follows:

"'ART. 253. Except as otherwise in these regulations provided, aircraft arriving from a foreign * * * place * * * shall be subject to the administrative provisions of the customs laws and regulations applicable to vehicles arriving from contiguous territory * * *.'

"As a result of this situation, it will be observed that there may be some doubt whether it is possible to seize and forfeit aircraft for a violation of the customs and public-health regulations of the Secretary issued under the authority of section 7 (b) of the Air Commerce Act of 1926 because section 11 (b) of such act provides no penalty other than a fine of $500 for a violation of such regulations. Although article 254 of the Customs Regulations of 1931 does make applicable to aircraft the penalties (including forfeitures) imposed upon vehicles arriving from contiguous foreign territory, it may be questioned whether authority for such regulation can be found in the Air Commerce Act as only the administrative, and not the seizure and forfeiture, provisions of the customs and public-health laws are made the subject of regulations by the Secretary.

"Section 2 of the proposed bill (attached hereto) would amend section 11 (b) of the Air Commerce Act by providing that, in addition to persons violating the regulations of the Secretary issued under section 7 (b) of such act, any person violating any customs or public-health laws or regulations thereunder made applicable to aircraft shall be subject to the civil penalty of $500 and any aircraft used in connection with any such violations shall be subject to seizure and forfeiture as provided for in the customs or public-health laws."

In compliance with clause 2a of rule XIII, there is printed below existing law with matter proposed to be stricken out in black brackets and new matter proposed to be inserted in italics:

"751. Upon the prayer of any claimant to the court, that any vessel, goods, wares, or merchandise, seized and prosecuted under any law respecting the revenue from imports or tonnage, or the registering and recording, or the enrolling and licensing of vessels, or any part thereof, should be delivered to him, the court shall appoint three proper persons to appraise such property, who shall be sworn in open court, or before a commissioner appointed by the district court to administer oaths to appraisers, for the faithful discharge of their duty; and the appraisement shall be made at the expense of the party on whose prayer it is granted. If, on the return of the appraisement, the claimant, with one or more sureties, to be approved by the court, shall execute a bond to the United States for the payment of a sum equal to the sum at which the property prayed to be delivered is appraised, and produce a certificate from the collector of the district where the trial is had, and of the naval officer thereof, if any there be, that the duties on the goods, wares, and merchandise, or tonnage duty on the vessels so claimed, have been paid or secured in like manner as if the same had been legally entered, the court shall, by rule, order such vessel, goods, wares, or merchandise to be delivered to such claimant; and the said bond shall be lodged with the proper officer of the court. If judgment passes in favor of the claimant, the court shall cause the said bond to be canceled; but if judgment passes against the claimant, as to the whole or any part of such vessel, goods, wares, or merchandise, and the claimant does not within 20 days thereafter pay into the court, or to the proper officer thereof, the amount of the appraised value of such vessel, goods, wares, or merchandise so condemned, with the costs, judgment shall be granted upon the bonds, on motion in open court, without further delay. *Notwithstanding the provisions of this section or any other provisions of law relating to the return on bond of vessels seized for the violation of any law of the United States, the court having jurisdiction of the subject matter may, in its discretion and upon good cause shown by the United States, refuse to order such return of any such vessel to the claimant thereof.*

* * * * * * *

"[Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 177 of this chapter, or (2) any customs or public health regulation made under such section, or (3) any immigration regulation made under such section, shall be subject to a civil penalty of $500, which may be remitted or mitigated by the Secretary of Commerce, the Secretary of the Treasury, or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe.] *Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 7 (b) of this act, or (2) any immigration regulation made under such section, shall be subject to a civil penalty of $500, which may be remitted or mitigated by the Secretary of Commerce or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe. Any person violating any customs or public-health regulation made under section 7 (b) of this act, or any provision of the customs or public-health laws or regulations thereunder made applicable to aircraft by regulation under such section shall be subject to a civil penalty of $500, and any aircraft used in connection with any such violation shall be subject to seizure and forfeiture as provided for in such customs or public-health laws, which penalty and forfeiture may be remitted or mitigated by the Secretary of the Treasury.* In case the violation is by the owner or person in command of the aircraft, the penalty shall be a lien against the aircraft. Any civil penalty imposed under this section may be collected by proceedings in personam against the person subject to the penalty and/or in case the penalty is a lien, by proceedings in rem against the aircraft. Such proceedings shall conform as nearly as may be to civil suits in admiralty; except that either party may demand trial by jury of any issue of fact, if the value in controversy exceeds $20, and facts so tried shall not be reexamined other than in accordance with the rules of the common law. The fact that in a libel in rem the seizure is made at a place not upon the high seas or navigable waters of the United States, shall not be held in any way to limit the requirement of the conformity of the proceedings to civil suits in rem in admiralty. The Supreme Court of the United States, and under its direction other courts of the United States, are authorized to prescribe rules regulating such proceedings in any particular not provided by law. The determination under this section as to the remission or mitigation of a civil penalty imposed under this section shall be final. In case libel proceedings are pending at any time during the pendency of remission or mitigation proceedings, the Secretary shall give notice thereof to the United States attorney prosecuting the libel proceedings."

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

There was no objection.

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. 9746, was laid on the table.

ADMINISTRATIVE FURLOUGHS IN THE POSTAL SERVICE

Mr. SWEENEY. Mr. Speaker, I submit the following conference report on the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service, and ask unanimous consent for its present consideration.

The conference report (Rept. No. 2061) 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. 9046) to discontinue administrative furloughs in the Postal Service, 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.

That the House recede from its disagreement to the amendments of the Senate numbered 2 and 3 and agree to the same.

MARTIN L. SWEENEY,
A. P. LAMNECK,
WM. BRUNNER,
CLYDE KELLY,
Managers on the part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
THOMAS D. SCHALL,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the pending conference report:

On amendment no. 1: This amendment struck out the words "any branch of." The Senate recedes from its amendment.

On amendment no. 2: This amendment inserted the words "under 5 percent in any one year." The House recedes.

On amendment no. 3: This amendment struck out all of the remainder of the bill after the word "resignation" in line 6, page 2. The House recedes.

MARTIN L. SWEENEY,
A. P. LAMNECK,
W. F. BRUNNER,
CLYDE KELLY,
Managers on the part of the House.

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

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

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.

CITY OF MONTEREY, CALIF.

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3660) to grant to the city of Monterey, Calif., an easement for street purposes, over certain portions of the military reservation at Monterey, Calif.

The Clerk read the title of the bill.

Mr. JAMES. Mr. Speaker, reserving the right to object, is there any language stricken out?

Mr. ALLEN. I object, Mr. Speaker.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman withhold his objection?

Mr. ALLEN. Yes; I withhold it.

Mr. JAMES. Is there any language stricken out?

Mr. HILL of Alabama. No; the Senate bill is the same as the House bill.

Mr. JAMES. What is the new proviso?

Mr. HILL of Alabama. The new proviso is "that the Secretary of War is authorized to make such changes in the foregoing description of the three parcels as he deems necessary."

I may say to the gentleman from Michigan that some time ago the Government granted a right-of-way through this reservation to build a road going into the city of Monterey. This was a good many years ago, when we did not have the broad highways and the great amount of automobile traffic we have today. There are today on this old right-of-way three pretty bad curves, and what the city of Monterey wants to do is to straighten out these curves, and in order to do this it has to enlarge its easement, and that is what this bill does—it grants an additional easement to straighten out these three curves.

Mr. JENKINS of Ohio. Has a similar bill ever been passed by the House?

Mr. HILL of Alabama. It was not passed by the House, but reported by the House committee.

Mr. JAMES. The bill is all right, and if the gentleman will add as an extension of his remarks the letter of the Secretary of War, dated June 7, explaining the change, I have no objection.

Mr. BRITTEN. Is any cost to the Government involved?

Mr. HILL of Alabama. No; it is just an extension of the easement already granted.

Mr. RICH. Has the Military Affairs Committee acted upon this bill?

Mr. HILL of Alabama. Yes; it was unanimously reported by the committee.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to grant to the city of Monterey, Calif., an easement over certain parcels (to be used in widening Lighthouse Road in such city) of the military reservation at Monterey, Calif., described as follows:

Parcel 1. Beginning at a point on the southwesterly line of Lighthouse Road (sometimes called "Lighthouse Avenue"), distant south 67°17½′ east, 140.43 feet from the point of intersection of the north line of the United States military reservation, Monterey, Monterey County, Calif., and the southwesterly line of Lighthouse Avenue, said point of intersection being distant south 89°30′ west, 732.92 feet from a stone monument at the northeast corner of said United States military reservation; and running thence from said point of beginning south 62°26′ east, 586.6 feet to a point; thence southeasterly (following the arc of a circle whose radius is 400 feet, and the center of which circle bears south 27°34′ west, 400 feet distant from the last-mentioned point) 530.8 feet; thence south 13°36′ west 568 feet to a point distant north 13°36′ east, 58 feet from the point of intersection of the south line of said United States military reservation with the west line of said Lighthouse Road; thence north 29°40′ east, 15.75 feet to a point on said west line of Lighthouse Road; thence along said west line of Lighthouse Road the following courses and distances: North 15°47′ east 516.5 feet; thence north 12°55½′ east 100 feet; thence north 5°2½′ east 100 feet; thence north 7°12′ west 100 feet; thence north 26°9′ west 100 feet; thence north 45°29′ west 100 feet; thence north 60°26½′ west 71.63 feet; thence north 65° west 639.3 feet to the point of beginning.

Parcel 2. Beginning at a point on the north line of the United States military reservation, Monterey, Monterey County, Calif., distant north 89°30′ east 116.34 feet from the point of intersection of said north line of the United States military reservation with the southwesterly line of Lighthouse Avenue, said point of beginning also being distant south 89°30′ west 616.58 feet from a stone monument at the northeast corner of said United States military reservation; and running thence from said point of beginning north 89°30′ east along said north line of the United States military reservation, 77.9 feet to a point; thence south 62°26′ east 238.96 feet to a point on the northwesterly line of that certain part of said United States military reservation over which an easement was granted by the Secretary of War on July 14, 1926, pursuant to the act approved June 7, 1926 (44 Stat. 699); thence south 40°12′ west along said northwesterly line of said grant to the

city of Monterey, 23.79 feet to a point on the northeasterly line of Lighthouse Road; thence north 65° west along said northeasterly line of Lighthouse Road 302.75 feet to the point of beginning.

Parcel 3. Beginning at the point of intersection of the northeasterly line of Foam Street with the northeasterly line of Lighthouse Road in the United States military reservation, Monterey, Monterey County, Calif., said point of beginning being the southernmost corner of that certain part of said United States military reservation granted to the city of Monterey, Calif., pursuant to H.R. 10203, March 10, 1926; thence south 65° east along said northeasterly line of Lighthouse Road, 319.8 feet to a point; thence north 62°26' west 346.6 feet to a point on said northeasterly line of Foam Street; thence south 34°36' east along said northeasterly line of Foam Street 30.68 feet to the point of beginning: *Provided*, That the Secretary of War is authorized to make such changes in the foregoing description of the three parcels as he deems necessary.

SEC. 2. The easement authorized by this act to be granted shall continue during such period as it shall be used exclusively for street purposes, subject to such conditions, restrictions, and reservations as the Secretary of War may impose for the protection of the military reservation and subject to a right-of-way over such parcels for the use of the United States during the continuance of such easement.

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.

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman already has that right.

RELIEF OF FISHING INDUSTRY

Mr. BLAND. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3780) for the relief of persons engaged in the fishing industry.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $2,000,000, or so much thereof as may be necessary, for the purpose of making loans to citizens of the United States engaged in any branch of the fishing industry for the purpose of repairing, rebuilding, and replacing boats, nets, poles, twine, wharves, plants, and other equipment damaged or destroyed by storms, hurricanes, cyclones, tornadoes, tidal waves, floods, or ice in the years 1933 and 1934, the said loans to include capital to resume fishing operations. Such loans shall be made by the Secretary of Commerce in such sums respectively and upon such terms and conditions as the said Secretary shall prescribe.

SEC. 2. The term "fishing industry" in the preceding section embraces all kinds of aquatic products, including sponges, shrimp, lobsters, crabs, oysters, clams, mussels, and all other kind of fish whether specifically named herein or not.

By the term "citizens of the United States" in the preceding section is meant persons, corporations, partnerships, and associations, but no corporation, partnership, or association shall be deemed a citizen of the United States unless such corporation, partnership, or association was formed under the laws of the United States, or any State, Territory, District, or possession of the United States, and unless at least 90 percent of the interest in such corporation, partnership, or association is owned by persons who are citizens of the United States. In the case of a corporation, all of its officers and directors must be citizens of the United States.

SEC. 3. The loans herein authorized shall be available in the United States, its Territories, and other possessions.

SEC. 4. The money herein authorized to be appropriated shall be immediately available, and loans made shall be paid in such installments, for such period, and at such rate of interest as the Secretary of Commerce shall prescribe.

SEC. 5. That any person who shall knowingly make any false representation for the purpose of obtaining any loan under this act shall, upon conviction thereof, be punished by a fine of not exceeding $1,000 or by imprisonment not exceeding 6 months, or both.

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

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

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

The SPEAKER. Without objection, it is so ordered.

Mr. BLAND. Mr. Speaker, I shall undertake to use very little of your time. This bill has been passed unanimously by the Senate and reported unanimously by the House Committee on Merchant Marine, Radio, and Fisheries, and was taken into consideration by the Rules Committee and favored by that committee. An examination was made by the committee into the condition of the fishermen and found deplorable by reason of the economic depression, and by reason of the storms of 1933 and the storms of 1934.

It was found that they were practically without sources of credit. In the storms of 1933, wharves, nets, and practically all their property were washed away.

In Maryland alone there was a loss of $350,000; in Virginia, $700,000; in North Carolina, $200,000; and in Massachusetts the condition was similar. The fishermen themselves came down and showed the deplorable conditions in which they exist, and how they were unable to get credit. This is for the purpose of enabling them to rehabilitate themselves.

These storms came on, and the little capital that they could get did not enable them to recoup their losses. The storms in the winter of 1933 and 1934 washed their property away. The fishermen from Maine came down and told us how they had suffered.

Gentlemen, unless this bill is passed now the appropriation cannot be considered until the early part of next year, and much valuable time will be lost.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. BLAND. Yes.

Mr. MARTIN of Massachusetts. I want to say that I listened to the hearings before the Rules Committee, and I was very much impressed with the case the gentleman presented. I would like to ask if this is the only source the people have for relief?

Mr. BLAND. Absolutely; no relief has been granted to them. Yesterday there was passed a measure for the relief of the fruit industry, giving them $10,000,000, and when the fishing industry comes and asks to have some recognition, I hope that it will not be said that no relief may be granted to them.

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

Mr. BLAND. Yes.

Mr. TABER. Is it not customary in passing such bills to provide something with reference to the security that shall be given to loans of this character?

Mr. BLAND. Ordinarily it is, but when sometime ago you passed the relief measure for the relief of Puerto Rico there was no provision of that kind, and we are entitled to just as much consideration as those people. The Secretary of Commerce can work out the security. It is all a class, a peculiar class of work, that has to be handled in the discretion of an officer of that character.

Mr. RICH. When we passed the relief for Puerto Rico did the gentleman consider that a good bill?

Mr. BLAND. Yes; under the circumstances and the emergency that existed at the time.

Mr. HOPE. Who is to administer this fund?

Mr. BLAND. The Secretary of Commerce.

Mr. GRANFIELD. Mr. Speaker, I am in sympathy with the gentleman's argument and with his bill. All this bill does is to provide loans and, of course, as the bill is administered, these loans will be granted by the Secretary of Commerce or whoever has authority to grant them upon proper security.

Mr. BLAND. Yes; and taking into consideration the moral risk of the people and how they have paid their debts in the past, I think the bill should be passed. My experience with these people is that 90 percent of them will pay their debts. They do their work, worship their God, and pay their debts.

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

Mr. BLAND. Yes.

Mr. TABER. Has this measure the approval of the Budget?

Mr. BLAND. No; it has not and I do not care whether the Budget approves it or not. It is an emergency measure, and the appropriations will come from the appropriations committee.

Mr. TABER. Has any evidence from the department heads been submitted?

Mr. BLAND. They have not reported in favor of it. The Secretary of Commerce and the other Secretaries do not report unless the Budget approves, but the Bureau of Fisheries is in favor of it.

Mr. DONDERO. Will this fund be available to fishermen on the Great Lakes?

Mr. BLAND. Anywhere.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EDMONDS].

Mr. EDMONDS. Mr. Speaker, in addition to what the chairman of the committee has told the House, we found in questioning these men, who were all hard workers, that they are individual fishermen running one boat. Their boats today are in bad shape. Their banks are in bad shape. We investigated the banks and we found they were overloaned; they could not help them in any way, shape, or form. I think this is a worthy bill, and I am glad to support it.

Mr. McCORMACK. As a matter of fact, this is only a matter of $2,000,000, hardly enough, because this bill benefits the Atlantic, along the Gulf, the Pacific coast, and the Great Lakes.

Mr. EDMONDS. That is true. We had before our committee men from all of those districts.

Mr. TABER. Mr. Speaker, the trouble with this bill, as I understand it, is that we have just passed a conference report which permits the R.F.C. and the Federal Reserve banks to make loans of this character. Why should they go ahead and duplicate in this way? I have not had a chance to study this particular bill, but that is my information from those on the committee.

Mr. GRANFIELD. The gentleman knows from his experience with the Committee on Appropriations that there will be no duplication of loans.

Mr. TABER. I do not see why we should set up another authority to make loans, when we have already provided for this sort of thing in the R.F.C. and the Federal Reserve through this loans to industry bill.

The SPEAKER. The question is on the motion of the gentleman from Virginia to suspend the rules and pass the bill.

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

A motion to reconsider the vote by which the bill was passed was laid on the table.

RECESS

Mr. BYRNS. Mr. Speaker, I have just communicated with the Senate leaders, and the Senate is about to recess until 12 o'clock Monday. In accordance with that, I move that the House stand in recess until 12 o'clock Monday.

The SPEAKER. Will the gentleman withhold that motion for a moment?

Mr. BYRNS. I will withhold the motion, Mr. Speaker.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MORAN, for today, on account of important business.

Mr. TERRELL of Texas, at the request of Mr. THOMASON, on account of illness in his family.

E. B. ROSE—VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES (H.DOC. NO. 403)

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without my approval, H.R. 2749, entitled "An act for the relief of E. B. Rose."

This bill authorizes and directs the Secretary of the Treasury to remit the payment by Burke Rose, of Del Rio, Tex., of the sum of $1,230, being the amount of duties demanded and collected by the Treasury Department on certain sheep returned to the United States from Mexico in the month of October 1925.

This bill is objectionable, since it provides for the refund of the duty paid on the sheep which were, according to the records of the Treasury Department, not entitled to free entry.

It is claimed that the sheep were entitled to free entry under the provisions of Public Resolution 52, Sixty-eighth Congress, which provides for the free entry on return to the United States, prior to December 31, 1925, of sheep driven across the boundary line, together with their offspring, for temporary pasturage purposes only.

The affidavits printed in the report do not in my opinion overcome the statement in the report of the deputy collector at Del Rio, where the duty was assessed, that the sheep were not taken abroad for temporary pasturage purposes.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 16, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BRYNS. Mr. Speaker, I move that the message of the President and the accompanying bill be referred to the Committee on Claims, and ordered printed.

The motion was agreed to.

ANNIE BRUCE—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H.DOC. NO. 404)

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith without my approval H.R. 6246, entitled "An act granting 6 months' pay to Annie Bruce."

The bill authorizes and directs the Secretary of the Navy to pay out of the appropriation "Pay of the Navy, 1935" to Annie Bruce, widow of the late Lt. Frank Bruce, United States Navy, an amount equal to 6 months' pay at the rate said Frank Bruce was receiving at the date of his death.

The official records of the Navy Department show that Lieutenant Bruce was killed on May 14, 1919, as the result of the explosion of a mine alongside the U.S.S. *Bobolink* while engaged in mine sweeping in the North Sea.

The act, approved May 13, 1908, which authorized the payment of a gratuity of 6 months' pay to widows of officers and enlisted men of the Navy, was repealed by the act of October 6, 1917, which provided for Government insurance; the repeal of the gratuity being predicated upon the theory that the insurance policies were liberal and the premium rates low and that the continuance of the gratuity of 6 months' pay would be in effect a double gratuity. Evidence of the liberality of the Government with respect to war-risk insurance is indicated by the fact that, excluding administration costs, the disbursements to date amount to $1,700,000,000, while receipts from premiums amount to $450,000,000, which is approximately one-fourth of the cost, leaving a difference of $1,250,000,000 which has been contributed to beneficiaries through appropriations from the Treasury. The general provisions of the act of 1908 were not reenacted until June 4, 1920, which was after the death of Lieutenant Bruce. The records show that Mrs. Bruce is now receiving from the Veterans' Administration $57.50 per month under the war-risk insurance policy of Lieutenant Bruce, and a service pension of $30 per month granted to her as the widow of an officer whose death resulted from injuries incurred in line of duty.

It has been estimated that if the precedents that would be established by this case were followed and payments of 6 months' pay as gratuity made to dependents of all officers and enlisted men of the military forces of the United States who died during the World War the amount would exceed $3,300,000 in addition to the other benefits they may be receiving from the Government.

I fail to see any justification for the proposal to place the beneficiary of this bill in a different status than that which applies to all other widows of veterans who died in line of duty during the World War.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 16, 1934.*

The SPEAKER. The objection of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the message of the President, with the accompanying bill, be referred to the Committee on Naval Affairs and ordered printed.

The motion was agreed to.

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. 2414. An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased;

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners;

H.R. 2419. An act for the relief of W. B. Ford;

H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended;

H.R. 3636. An act for the relief of Thelma Lucy Rounds;

H.R. 4253. An act for the relief of Laura Goldwater;

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller;

H.R. 7212. An act to remove the limitation upon the extension of star routes;

H.R. 7301. An act 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;

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;

H.R. 8919. An act to adjust the salaries of rural letter carriers, and for other purposes;

H.R. 9145. 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;

H.R. 9178. An act to regulate the business of life insurance in the District of Columbia;

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;

H.R. 9410. An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes;

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes;

H.R. 9618. An act authorizing the Sisterville Bridge board of trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.R. 9904. An act to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended;

H.R. 9936. An act 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;

H.R. 9946. An act 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;

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;

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits;

H.J.Res. 371. 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; and

H.J.Res. 373. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 504. An act 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;

S. 551. An act for the relief of A. W. Holland;

S. 555. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian school, Wyandotte, Okla., is located;

S. 822. An act 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;

S. 1103. An act to authorize the Secretary of Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla.;

S. 1503. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon;

S. 1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley Irrigation District;

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;

S. 3096. An act for the relief of John T. Garity;

S. 3151. An act 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;

S. 3178. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington;

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

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act;

S. 3446. An act to authorize the Postmaster General to receive, operate, and to maintain for official purposes, motor vehicles seized for violations of the customs laws;

S. 3541. An act to authorize production credit associations to make loans to oyster planters;

S. 3545. An act to extend the time for commencing and completing the construction of a bridge across the St. Clair River, at or near Port Huron, Mich.;

S. 3604. An act to revive and reenact the act entitled "An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", approved March 2, 1929;

S. 3618. An act to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah;

S. 3645. An act 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;

S. 3655. An act 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;

S. 3696. An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes;

S. 3739. 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;

S. 3742. An act granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.;

S. 3764. An act to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation;

S. 3765. An act to enable the Postmaster General to withhold commissions on false returns made by postmasters;

S. 3766. An act 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;

S. 3779. An act 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;

S.J.Res. 59. Joint resolution to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference;

S.J.Res. 106. Joint resolution authorizing loans for fruit growers for rehabilitation of orchards during the year 1934;

S.J.Res. 117. Joint resolution authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte; 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.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 9410. An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes;

H.R. 9946. An act 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;

H.R. 9178. An act to regulate the business of life insurance in the District of Columbia;

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;

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;

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes;

H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 8919. An act to adjust the salaries of rural letter carriers, and for other purposes;

H.R. 4253. An act for the relief of Laura Goldwater;

H.R. 9145. 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;

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits;

H.J.Res. 373. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits;

H.R. 2414. An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased;

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners;

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller;

H.R. 7212. An act to remove the limitation upon the extension of star routes;

H.R. 7301. An act 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;

H.R. 9618. An act authorizing the Sistersville Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.R. 9904. An act to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended;

H.R. 206. An act for the relief of Pierre E. Teets;

H.J.Res. 341. A joint resolution authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y.;

H.R. 363. An act for the relief of James Moffitt;

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, New York;

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 740. An act for the relief of Wade Dean;

H.R. 1133. An act for the relief of Silas B. Lawrence;

H.R. 1306. An act for the relief of Clarence A. Wimley;

H.R. 1308. An act for the relief of John Parker Clark, Sr.;

H.R. 1345. An act for the relief of John Parker Clark, Jr.;

H.R. 1354. An act for the relief of C. V. Mason;

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. 1731. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes;

H.R. 1766. An act to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties;

H.R. 1769. An act for the relief of Jeannette S. Jewell;

H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 2038. An act for the relief of Jeanie G. Lyles;

H.R. 2326. An act for the relief of Emma R. H. Taggart;

H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 2632. An act for the relief of Wilson G. Bingham;

H.R. 3054. An act for the relief of Christopher Cott;

H.R. 3084. An act authorizing the sale of portions of the pueblo lands of San Diego to the city of San Diego, Calif.;

H.R. 3161. An act for the relief of Henry Harrison Griffith;

H.R. 3176. An act for the relief of Ernest Elmore Hall;

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. 3295. An act for the relief of the estate of White B. Miller;

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. 3595. An act for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.;

H.R. 3606. An act for the relief of William Sheldon;

H.R. 3705. An act for the relief of Julia E. Smith;

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3791. An act for the relief of Gustav Welhoelter;

H.R. 3793. An act for the relief of Anthony Hogue.

H.R. 3912. An act for the relief of Roland Zolesky.

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees;

H.R. 4387. An act for the relief of Mary A. Rockwell;

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. 4670. An act for the relief of Lyman D. Drake, Jr.;

H.R. 4838. An act for the relief of the Massachusetts Bonding and 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. 5031. An act for the relief of Edith L. Peeps;

H.R. 5344. An act granting a franking privilege to Grace G. Coolidge;

H.R. 5357. An act for the relief of Alice M. A. Damm;

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5606. An act for the relief of W. R. McLeod;

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. 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 Saint Anthony's Hospital at Michigan City, Ind.; Dr. Russel A. Gilmore; Emily Molzen; 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. 8537. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas;

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. 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 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. 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. 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 purpose 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 Arbiter;

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. 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. 9123. An act to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion, at Miami, Fla., during the month of October 1934;

H.R. 9526. An act authorizing the city of Port Arthur, Tex., or the commission hereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex.;

H.R. 8700. An act to establish a code of laws for the Canal Zone, and for other purposes;

H.R. 8912. An act to amend section 35 of the Criminal Code of the United States;

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected;

H.R. 8517. An act to provide for needy blind persons of the District of Columbia;

H.R. 8639. An act to repeal certain laws providing for the protection of sea lions in Alaska waters;

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; and

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act.

EXTENSION OF REMARKS

REPORT TO MY CONSTITUENTS

Mr. COCHRAN of Missouri. Mr. Speaker, when I was elected a Member of Congress 8 years ago from the Eleventh Congressional District of Missouri, I felt, having made promises to my constituents in my pre-election campaign, I owed it to the people who had honored me to make a report of my service. I have followed that policy on several occasions and I propose now to continue the practice.

In all my campaigns I promised to devote my entire time to my duties. This promise I have faithfully kept, the RECORD showing I am recorded on every vote taken since I assumed office, 8 years ago.

While it is my purpose to cover briefly a history of my 8 years' service in the House; at the outset, I will refer to the present Congress.

On March 4, 1933, Franklin D. Roosevelt was sworn in as Chief Executive. For nearly 4 years the country had been in the grip of a depression during which period former President Hoover had done practically nothing to remedy an intolerable situation, gradually growing worse.

When President Roosevelt assumed command he immediately set in motion the machinery at his disposal and called upon the American people to aid him to correct the critical situation that confronted the Nation. He summoned Congress into extraordinary session on March 9, 1933.

Look back, if you will, and picture the conditions that existed when a Republican President was leaving the White House to make way for his Democratic successor. Within 24 hours every banking institution in the United States closed its doors. We experienced our first Nation-wide bank holiday. The President asked Congress to give him the power to control banks for the protection of depositors. Before adjournment on the opening day of Congress, the House and Senate had passed the necessary legislation, the bill had been sent to the President, signed by him, and the fight to end the depression was on. It has not stopped since that hour; it is still on.

Banks 100 percent sound were immediately reopened and the reorganization of other closed financial institutions was immediately commenced. Today the soundness of our banks cannot be questioned.

From the time that President Roosevelt requested Congress to give him the power to handle the banking situation, to the end of the second session of the Seventy-third Congress, I have, without exception, supported by voice and vote, every recommendation the President has submitted to the Congress, and further, I have opposed all legislation the President has stated would interfere with his program of recovery.

While I offer no apology for any vote that I cast, still I would not be honest if I did not say that in more than one instance I was moved to support the President because of the conditions confronting the Nation. I am thoroughly convinced, however, that every request the President made was backed by the thought that the legislation he advocated would prove beneficial, and that the legislation he opposed would be harmful. His demand for a new deal carried with it equal opportunity for all, special privileges to none.

We have often been asked if some of the legislation followed the teachings of Washington, Jefferson, and Jackson.

When it is considered it was necessary to feed, clothe, and house our people, I feel, had they been faced with a situation similar to that which faced President Roosevelt, all of them would have done exactly as President Roosevelt did.

We have had panics and depressions, or whatever you may desire to call them, but history fails to show our country ever before in a condition such as confronted President Roosevelt on March 4, 1933. There has been criticism by some, mostly those personally affected, of some of my votes. I ask those who challenged my judgment to stop and consider what might have happened if the Congress had failed to respond to the President's calls. I assert it would have meant disaster. No more courageous man than our President has ever occupied the office of Chief Executive of this country, and history will so record.

My support of the President and his program was kindly referred to in a recent speech by the Honorable James Farley, the Postmaster General, at the laying of the cornerstone of the new Federal building in St. Louis, after referring to Missourians, who had been prominent in public life in the past, said:

> The other person to whom I wish to pay tribute is from your own city. As a Congressman no one works more intelligently or more devotedly than he for the interests of his city and State. His interests, however, are not bounded by city and State lines. He has always placed his country's good above his personal friendships and his personal advantage. Foremost in every fight for the people's rights, he is loved by all who are alined with him in this battle and respected and feared by those who are not. I refer to the Honorable JOHN J. COCHRAN, your Representative in Congress, of whom you may well be proud.

I have responded to every call made upon me where my assistance was asked by city and State civic organizations and officials in connection with Federal projects of every character. I have assisted in securing for Missouri, my native State, regional offices of various Government agencies, which resulted in employment for many of our unemployed citizens.

The late Champ Clark of Missouri always said "length of service is the most valuable asset a Member of Congress can have." Having served 14 years as a secretary to the late Senator William J. Stone, former Congressman William L. Igoe, and former Senator Harry B. Hawes, when he was in the House, I had a thorough knowledge of the procedure of the House and Senate when elected to succeed Congressman Hawes 8 years ago. That training enabled me to immediately take up my duties as a Representative and participate in debates and the enactment of legislation, as well as to promptly look after the interests of my constituents. I answer official correspondence the day it reaches my office, although at times long hours are required.

When the Democratic Party assumed control of the House in the Seventy-second Congress, I was honored by being selected as the chairman of a powerful committee, having jurisdiction over the expenditures of all of the executive departments, the first St. Louis Representative to be chairman of a House committee in over 25 years.

I am the author of a number of important laws; was coauthor of the law giving the Federal Government jurisdiction in kidnaping cases, and author of the law making it a felony to use the mails to extort money under threat of physical violence or property damage.

Prior to the passage of these laws the Federal Government was seemingly powerless to intervene in such cases. Since then many desperate criminals, gangsters, and racketeers have been placed in Federal and State penitentiaries through the activities of Federal agencies and the offenses are few in comparison with the terrorism that prevailed before the laws were passed. A few weeks ago those laws were strengthened and a number of other crime bills passed, all of which I vigorously supported. The right of our citizens to live peacefully and enjoy the fruits of their labor is a fundamental that must not be broken down. The Federal Government is now in a position to combat those who would deny this right to our people.

A great deal of direct relief legislation has been enacted during this Congress. From the outset I advocated that if the Government advanced funds to take up farm and home mortgages the bonds should be guaranteed by the Federal Government. After several years of opposition the bonds were guaranteed, resulting in the savings of millions of dollars of property to our citizens, and the bonds are now selling above par.

I shall always be proud of the part I played in assisting to secure United States forest reservations for the State of Missouri. Our people will soon learn a Government forest reservation is a small national park and the acquisition of a half dozen large tracts together with our wonderful chain of State parks will make Missouri the recreation ground for central United States.

Some years ago I received the promise of the late Representative John Clark, of New York, co-author of the law that made it possible to buy State land for forest reservations, and a member of the commission that purchased the land, that if the Missouri Legislature would pass the necessary enabling act he would see that forest reservations were selected in our State. I appealed to the then Governor, Mr. Caulfield, and to members of the legislature and later to Governor Park. Finally a law was passed providing that not more than 25,000 acres could be taken from any one county, the previous limit having been 25 acres. Immediately following the passage of this law I took the matter up with the commission and three reservations were laid out. Later, when the 25,000-acre limit was removed, additional reservations were authorized and the Government is now buying hundreds of thousands of acres of land in the Ozarks where those who love the great outdoors will be able to construct their small cabins and enjoy life in the wide, open spaces. Trails and roads will be provided, work having already been started in various sections of the State.

Eight years ago, single-handed, I started the fight that has resulted in eliminating the private toll-bridge promoter. It took the country 150 years to do away with the toll gate. The people's money was being used to construct roads. Why should an individual, after the road had been constructed, be permitted to construct a bridge with money raised by the sale of bonds and charge tolls to cross a river? If the bridge was necessary I held the State, or a subdivision thereof, should construct it. As a result of my fight Congress now grants franchises to States, counties, cities, or officials elected by the people to construct toll bridges providing that within a reasonable time the bridges must be free.

The Federal narcotic farms were first suggested by me. I introduced the first bill providing for the construction of separate institutions to house Federal prisoners who were drug addicts, appeared before the committee in support of the legislation, and the laws that provided for the construction of three farms resulted.

Personal observations convinced me that the enactment of the eighteenth amendment was a mistake, that rather than promoting temperance it brought intemperance. I participated at every opportunity in efforts to bring about the repeal of the eighteenth amendment, and my speeches, What Prohibition Has Done to the Home and What Prohibition Has Done to the Farmer were widely circulated. They brought the true conditions to the citizens of this country. I contended the repeal of the eighteenth amendment would be beneficial to our country and our people.

The eighteenth amendment has been repealed, but there are many problems connected with the liquor question still to be solved. The liquor supply being in control of a few has resulted in prices far exceeding those that prevailed for medicinal liquor during the prohibition period; the bootlegger is still in the picture and thriving. He must be removed and the price of liquor brought down, even if it is necessary for the Government to manufacture and control the sale. I would not wish to see the Government enter the distilling business, but if that be necessary to promote temperance I would favor it.

I am opposed to the return of the saloon, and spoke on this subject and so voted when Congress passed the law providing for the regulation of the liquor traffic in the District of Columbia. Drinks can only be sold in hotels and restaurants for consumption on the premises in Washington, and bars are not permitted in the room where the purchaser

is served. The law also provides strong penalties for selling to minors, and, while there is room for improvement, it is one of the best enforcement acts in the country. I believe in the right of the citizens to decide for themselves whether or not liquor is to be sold in their city, town, or county.

During this Congress a great deal of time has been given to the question of Government in business. The committee of which I am chairman has considered this matter for months. No Member of Congress in recent years has done more than I have to remove the Government from competition with private industry. There are certain activities the Government might properly engage in, such as construction of ships, munitions, and so forth, but there are many fields where the Government is now competing with private industry that it could well abandon. I speak honestly and frankly on this subject. I have repeatedly said that there is only one way to get the Government out of business and that is for the Congress itself to discontinue making money available to Government departments to manufacture needed supplies. When Members of Congress vote to appropriate the money and tell the departments to continue to manufacture their supplies there is nothing for the department to do but to carry out the mandate. I repeat, the fault lies with Members of Congress and the way to reach the situation is to fight that part of the appropriation bills which provides the money for the manufacture of supplies by Government departments.

Coming from a great city, naturally my constituents were more interested in the problems of industry. However, I am thoroughly convinced, and many times have publicly stated, the residents of the great cities cannot expect prosperity until we have increased the purchasing power of the farmer so he will be in a position to buy what we have to sell.

The farmer is entitled to a fair profit on that which he produces, the same as the owner of a corporation is entitled to a fair interest on his investment, and labor also is entitled to a fair wage for its contribution to the employer. Until the farmer is placed in that position the rehabilitation work of Congress will not be complete. We have no more right to ask the farmer to sell us his hogs for 3 or 4 cents a pound than we have to insist that the manufacturer sell us our clothes or other necessities for less than one-half of the cost of manufacture.

As long as I am a Representative of the people at Washington I will do all in my power to assist in solving the farm problems. The return of prosperity cannot be completely assured until such problems are properly solved.

Over 4,000,000 of our citizens are war veterans. No Member of Congress has done more than I have to assist individual veterans with their claims with the Veterans' Administration. Thousands have benefited by reason of my activities and while I have not found it expedient to vote for all the legislation veterans have demanded I have, and will continue to use every means at my disposal, to see that the man who received his disabilities in line of duty receives most liberal treatment from the Government, which has an obligation to assist him, that it cannot and must not shirk. It has always been my opinion the Government should assist widows and orphans of veterans of various wars. I was one of the first to advocate such legislation, introducing a bill several years ago. Therefore, it was pleasing to me to vote for the bill, now law, passed this week, which extends benefits to this class.

In conclusion I can conscientiously say I have faithfully performed the duties placed upon me and hope the services I have rendered meet with the approval of those who were responsible for placing me in my most important position.

In all my service to the people I have believed in and followed Grover Cleveland's declaration that "a public office is a public trust." I shall always be grateful to the people of my district and to the people of the entire State of Missouri for giving me the opportunity to serve them in Congress.

A BILL FOR A RETIREMENT SYSTEM FOR RAILROAD EMPLOYEES

Mr. PALMISANO. Mr. Speaker, I am glad that the Committee on Interstate and Foreign Commerce has recommended Senate bill 3231, which provides a retirement system for railroad employees and for unemployment relief.

This bill in a minor degree accomplishes what I hope to accomplish in general by the resolution which I introduced requesting the Secretary of Labor (1) to compile a list of the labor-saving devices, mechanical and otherwise, put in operation in the United States after December 31, 1912, which are still in use, (2) to estimate the number of persons in the United States now unemployed by reason of the use of each kind or type of such devices, (3) to estimate the number of persons who would be employed in the United States in each of the various divisions of industry, commerce, and agriculture, but are not so employed by reason of the use of such devices, and (4) to report his findings in detail to the House of Representatives (or to the Clerk of the House if the House is not in session) during the present Congress, together with such observations and recommendations as the Secretary deems pertinent and useful. Every officer or employee of the United States is requested to supply the Secretary with such information relating to any matter under investigation or study pursuant to this resolution and contained in the records of the office of such officer or employee as the Secretary may request. For the purposes of this resolution, the term "labor-saving device" includes any improvement, made after December 31, 1912, of a labor-saving device put into operation on or before such date, and the term "United States" means the United States and all territory subject to the jurisdiction thereof.

The object of my resolution is to ascertain the number of men supplanted by each device in order that a proper tax may be placed on such device according to the manpower it supplants. For instance, if 1 machine does the work of 2 men, it should be taxed for the man it supplants. On the other hand, a machine supplanting 25 men should be taxed 25 times as much as the machine that supplants 1 man, and so on.

The quicker the financiers that control monopolies realize that the human race must live and that it is necessary to give them employment in order to make a livelihood for their families the quicker we will get out of the depression, never to return to it. In my mind, it is necessary for large corporations to refrain from using labor-saving devices in order to permit a man to make a living wage for himself and his family; otherwise it will be necessary to tax the labor-saving devices and make the corporations pay for the old-age pension and the unemployment insurance.

I know that the American people prefer work instead of pension and unemployment insurance, but in the absence of work the pension and the unemployment insurance are the only alternatives, and I feel that the person that uses labor-saving devices which cause unemployment should pay the bill. Therefore, Mr. Speaker, I am happy to support Senate bill 3231, which, in effect, is somewhat in harmony with my resolution.

THE TECHNICAL PROGRESS AND MECHANIZATION OF INDUSTRY HAS DISPLACED MILLIONS OF AMERICAN WORKINGMEN, WHICH CAN ONLY BE COMPENSATED BY REDUCING THE HOURS OF LABOR

Mr. WELCH. Mr. Speaker, over 2 years ago, on May 3, 1931, in discussing unemployment in the United States before the House of Representatives, I said:

> We are in the midst of the most violent and sudden economic changes our country has ever experienced. To adjust ourselves to these changes a new social policy must be adopted. Of all the principal measures advocated for this purpose, those that provide shorter hours of labor offer the most logical and direct steps without placing an additional burden on the Public Treasury.

Two years of distress have passed. The legislation I then urged was not enacted and we have witnessed the greatest peace-time burden ever placed upon the Public Treasury. But of even greater significance has been the almost universal testimony of employers of labor that reduction in the hours of labor is an essential factor in restoring normal conditions to our country. Their principal contention has been that such legislation should have flexibility.

Too long have we neglected the important part the workingman plays in the progress of our economic order. While

American inventive genius has been successfully devising ways and means of increasing individual production, principally in the mechanization of industry during recent years, and while legislation was being enacted to assist industry in almost every conceivable manner, we have failed to bring relief to the ever-increasing unemployment which has been engulfing the workingman. As a result, we are today faced with an unemployed army of over 10,000,000 persons—men who are anxious to work, men who are in dire distress without employment. In some States one-fourth of the entire population has been on relief rolls at one time.

I am not unmindful of the fact that technical progress has developed new industries employing thousands of workingmen. But when our social order is adjusted to these new industries and large groups of our people become solely dependent upon them for their livelihood, their displacement through the use of machinery becomes a very practical problem of the greatest import to the welfare of our country. It is the development of this machine age during and since the World War that has in large measure brought about the conditions of the past few years.

During the decade from 1899 to 1909 there was a 40-percent increase in the number of wage earners engaged in manufacturing in the United States, an increase of 1,903,000 workers. During this same decade production increased 59 percent. In the 10 years from 1909 to 1919, 2,481,000 additional wage earners were placed on the pay rolls of our manufacturing establishments, an increase of 38 percent, while production increased 35 percent. In other words, during this 20-year period, the absorption of employees into productive industry was almost equal to increased production.

The decade next following presents an entirely different picture. From 1919 to 1929 there was an actual decrease of 585,000 wage earners, or 7 percent of the total, while production increased 42 percent.

These statistics simply mean that while the producing power of the average wage earner was only increasing 11 percent during the 20 years from 1899 to 1919, his producing power under the impetus of improved and greater machine operations increased 53 percent during the post-war decade from 1919 to 1929, or his individual production increased almost five times as much during the 10 years, 1919 to 1929, as it did in the 20 years, 1899 to 1919.

This mass production or machine production immediately following the war was out of all proportion to the trend in purchasing power of the millions employed in manufacturing. Increased wage-earner production by the mechanization of industry was 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 beyond the saturation point and no market was to be found.

Our present distress is not so much due to overproduction as it is to underconsumption. Unemployment has reduced the purchasing power of our people when we should have been taking legislative as well as other steps to bring about greater consumption of domestic products.

In 1918, 1 man made 40 electric-light bulbs per day. Now, 1 machine can make 73,000 bulbs in 24 hours. Each machine thus installed displaces 992 men from their employment.

In 1913, 1 man made 500 safety-razor blades, while today 1 man, in the same time, but with the aid of improved machinery, can manufacture 32,000 safety-razor blades of finer quality.

In the boot and shoe industry machinery has been developed in recent years that is so efficient that each machine takes the place of 250 men.

When we consider the advances made by the use of machinery in the manufacture of automobiles, its extent makes the data available become bewildering. For example, in the United States 200 men can turn out 7,000 to 9,000 automobile frames daily. In central Europe, where American machinery used in this operation is not yet available, 200 men average 35 frames daily. In other words, the American output, through the mechanization of the process, has an output 200 times as great as that of central Europe.

A similar situation has existed in the steel industry. During the prosperous period from 1926 to 1929, improved machinery used in the steel industry was throwing thousands of workingmen out of employment. In the Bessemer process, during these 3 years, the working force was reduced 24 percent; in the open-hearth furnaces, it was reduced 8 percent; in puddling mills, 18 percent; in blooming mills, 9 percent; in plate mills, 11 percent; in bar mills, 17 percent; in standard rail mills, 14 percent; in tin-plate mills, 6 percent. Seven men working at steel-blast furnaces can now do the work that formerly required 60 men in casting pig iron. In the sheet mills only was there an increase in employment between 1926 and 1929, and that increase amounted to only 3 percent.

By effecting economies, the use of improved machinery, larger locomotives and larger freight cars, the railroads of the United States, although carrying more freight and passengers than ever before, employed a quarter of a million fewer men in 1929 than in 1920.

In the mining industry, formerly almost entirely dependent upon manual labor, the greatly increased use of machinery has displaced thousands.

Even in farming, the use of improved machinery has driven other thousands to our cities to seek employment.

This technical progress and mechanization did not cease with the coming of the depression. Its progress during the past 5 years has been so great that were we to return to the same production we had in 1929, between 4,000,000 and 5,000,000 men would not be able to find employment. The Right Reverend John A. Ryan, D.D., in his recent address on The Present Critical Situation, invited attention to this when he stated, "Between 1929 and the present date at least 2,000,000 and possibly 3,000,000 jobs have been abolished by technological improvements; that is, by the substitution of mechanical and automatic processes for human labor."

Every person who has given any thought to our present difficulties knows that their solution lies in increasing purchasing power. Purchasing power can only be increased by spreading employment. The millions of able-bodied men walking our streets today, anxious to secure work, should be given gainful occupations. There is no need to argue this question in a circle. Employment stabilizes residence and builds homes; it gives the purchasing power to build houses, to find markets for the products of all industry. This is what brings prosperity and contentment to our people. The conditions of the past few years cannot continue. It means destruction—destruction of every sense of initiative and independence—the foundation stones of our national security.

Economic problems and social problems are here linked together. They are interdependent. The social questions involved are just as imperative as the economic.

Quoting from a statement made before the Committee on Labor of the House of Representatives—

> Our whole industrial system has been the last part of our democracy, of our civilization to which we have paid attention from the standpoint of human rights and social welfare.

Gainful employment is the innate right of every citizen of a democracy. Upon this right our whole economic, social, and political structure rests. I would not curtail technical progress, but I would give to the workingman whom it displaces his proper share of the benefit gained. No sane man would destroy the spinning looms of the textile industry because one girl operating such a loom can turn out more yarn in 8 hours than an army of 45,000 girls could with the spinning wheel of 150 years ago. No sane man would destroy the automobile industry because it displaced the horse-drawn carriages and trucks of a generation ago. These advances have brought the opportunity for greater leisure, but greed destroys the opportunity and throws millions of our people upon charity instead.

NORTHWEST FLOOD CONTROL NEEDS

Mr. WALLGREN. Mr. Speaker and ladies and gentlemen of the House. I desire in the time allotted to me to point out the grave necessities of a national program for the control and prevention of soil erosion such as is caused by floods in my State.

The attention of the entire Nation was directed to the disastrous floods in the Pacific Northwest last December. Thirteen lives were lost and damage estimated at $20,000,000 was caused.

Floods of the rivers of the Cascade Mountain slope in the State of Washington are a real menace and, on a different scale, as disastrous and costly to natural resources as are the floods of a great river such as the Mississippi.

President Roosevelt, in his admirable message to Congress, shows his remarkably comprehensive knowledge of the needs of the whole Nation. That the problems of conservation will receive long neglected study is amply evidenced by the following quotation from the President's message:

> 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 recreate forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

Early this year a group of Representatives and Senators, including myself, called upon President Roosevelt urging upon him the necessity of a national plan that the loss of natural resources by erosion be stopped or curtailed. The President's message followed the transmission of the report of his Cabinet committee to Congress.

This cabinet committee was appointed to study flood control and soil-erosion prevention needs of the Nation. The investigation of this committee serves as a starting point for a vast conservation program and in the case of the Pacific Northwest flood-control survey bills now law will bring about a study of the specific problem in that area.

Interest in the needs and wisdom of Federal responsibilities in the conservation of our soil resources has increased during the past year. This seems largely because of the enlightened attitude toward public resources taken by the present administration. Out of this interest, I now feel certain, will come a general constructive program.

A national study of this question on a comprehensive scale seems especially necessary as I find that persons tend to minimize floods occurring in distant parts of the Nation. I also find that many of my colleagues little know our Pacific Northwest. One is led almost to believe that some of you think we are still fighting Indians. Quite the opposite is true. This Pacific Northwest is today far ahead of many of our eastern sections. Ahead in the development of fine roads. Ahead in the development of modern schools and up-to-date homes.

This has all been accomplished in not so many years. It was not long ago that sturdy pioneers came from the East to literally hew these now splendid communities out of the great forests which covered the area west of the Cascade Mountains. Their children have carried on with the same spirit until today we find a most beautiful country. River valleys dotted with farms surround fine, clean cities. All of this is the result of the desire to gain and to maintain a standard of living desired by true Americans. And true Americans these sturdy decendants of northern European races are.

Pioneer days when giant trees—douglas fir, hemlock, and cedar—covered every square foot of ground are gone. Billions of feet of valuable timber remain, for it has been the timber in the most accessible areas, usually in river valleys and bordering streams, which was first cut. Trees that once protected the banks of streams which fairly tumble out of the mountains have been removed.

The removal of this timber constitutes a sad commentary on the foresight during the era of individualism and gives us a remarkable argument for national planning.

Timber barons lost no time in acquiring the beautiful forests and even sooner did they start their devastating slaughter. They gave no thought to reforestation, no thought to quota cutting nor to conservation, and no thought to flood hazards they created. Their one thought was lumber. Lumber to satisfy that same greed which today still craves satisfaction but which today faces forces of control.

It is difficult, Mr. Speaker, to give a realistic picture of this thoughtless devastation. Rivers navigable when forests were uncut have been permitted to fill with snags, stumps, and silt. Few of you realize the damage which can be started by a stump carried at flood to the center of a river. You can only understand if you know that such stumps as are common were once the foundation of 200-foot trees. Lodged in the river the stump causes a bar of silt to quickly form. This forms a barrier and the water swirls about, cutting a new channel which is often through a cultivated farm.

Erosion thus aided sends an increasing amount of silt into navigable rivers which in northern Washington empty into the Puget Sound and in the south into the Columbia River and the Pacific Ocean. The silt means both a hazard to navigation and a great loss to the farm from which it eroded.

The farms in these valleys so constantly menaced are devoted to dairying, berry raising, and such products of intensive agriculture as lettuce, celery, and vegetable seeds. In fact, one county in my district produces more than 85 percent of the cabbage seed grown in the United States. Such crops, you will admit, are not in direct competition with those farm products whose surplus now constitutes the problem of the A.A.A.

The early flood problems found farmers valiantly struggling with dikes and bank-protection measures. Financial aid in some cases was given by counties, but we find counties overburdened in efforts to protect highways and bridges.

Today, Mr. Speaker, we find a most deplorable condition. The present economic condition leaves our farmers unable to carry the financial burden, and coincident with this we find erosion becoming constantly greater. The problem has developed from the concern of merely a locality until it envelops the whole area and threatens the agricultural future of that area. Forced neglect of the larger aspects of the problem has only added to the increased menace of floods which have become more devastating each year.

Greater property damage is being reported each year and more land is being deserted, thus increasing the unemployment problem of the district and the Nation.

The area of greatest concern lies between the Cascade Mountains and the Pacific coast. A strip of land 30 miles wide and extending from Portland, Oreg., to the Canadian border, a distance of 350 miles, is dotted with many towns, including Bellingham, Everett, Seattle, Tacoma, and Olympia, and has a population of approximately 1,500,000 people. All of these are affected either directly or indirectly by recurring floods.

It is impossible, Mr. Speaker, to give the true picture of these devastating floods. The farmers have fought sturdily, never asking until now the aid of the Government. These people are not asking to be compensated for past losses. They seek only protection from an ominous future. They want security on the land which remains. They do not wish to reclaim additional land.

They are financially broke, but not spiritually, and if the Federal Government can come to their aid with a comprehensive flood-control program, as advocated by our President, they will start rebuilding their empire. They will be willing to face the future in a section of our Nation which knows what is meant by the "fruits of our labor."

So intensely do farmers feel the loss and so clearly do they see the necessity for a well-planned program that they have organized to gain accurate statistics on flood damage and to plan a lasting and economical flood-control plan. It appears, however, that only the National Government has the facilities to plan such a control program.

Reading from the report of such a committee on the Snohomish River, we find:

Because this (erosion, drowning of crops, damage to buildings and to roadways, and bridge losses) has been going on for a number of years and because no unified action had been taken previously, a committee of farmers and business men took upon themselves to call a mass meeting.

We find, however, that as long ago as 1928 the importance of soil preservation was recognized as a national problem. In the introduction to the published report of the President's research committee, speaking of land resources, we find:

Despite this vast reserve of land available for crop production, the Nation can ill afford to permit waste of soil resources by erosion and allow the people of a district to be slowly reduced to poverty.

And it continues:

Erosion, of course, leads to the silting of the rivers and to floods which are matters of national concern.

Speaking of effects of soil erosion, O. E. Baker in Recent Social Trends' report, states soil erosion "in many places has brought abject poverty."

In these statements we find the reasons for national concern as to the river erosion in the State of Washington.

Just to indicate that silting not only often means poverty to the individual farmer but becomes a liability to the Federal Government, I will quote from an Everett newspaper of March 3 concerning silting in the mouth of the Snohomish River:

Tugboat men say that the average shoaling in the river this winter was about 2 feet. A scow grounded in the river mouth recently on a 7½-foot tide and had to be unloaded.

In such a problem as here presented the Government has an efficient agency in the Board of Engineers of the War Department. It is a sorrow that this agency is not better utilized in the formulation of erosion- and flood-control plans.

In the problem of topsoil erosion, the Federal Government has developed the Soil Erosion Service, which, under the direction of Mr. H. H. Bennett, is intelligently meeting the serious problems presented. The necessity for the control of silt in the watershed of the Tennessee Valley development is recognized and this agency is active there.

Here the Government is meeting a problem which often is not apparent to the eye. Topsoil erosion often becomes apparent when soil fails to produce crops. In the case of river erosion, the problem is doubly apparent, once in the loss of farm land and second in the silting of river channels. Why has nothing been done? Why does the Board of Engineers seem to lean backward when confronted with this great problem? You may say it is a State problem but it is also a national problem of great magnitude. I feel that in the President's interest as shown in his message, we are gaining the first rays of light which will eventually bring a cure.

Continued erosion will mean poverty to the county, the State, and this of course means decreased national wealth. To illustrate let me read from one of my constituent's letters:

Four years ago (1929) I bought this place. At that time the river was at least 1,000 feet from my buildings. Now it has cut a channel about 60 feet from my house and has covered most of my place with logs and stumps.

This is no isolated case; yet we find that the various reports of the War Department ignore such losses. Losses to railroad and highways it recognizes but loss of land it ignores. Such reports already made are entirely inadequate in answering the questions as to flood-control damages and the needs of protection. My bills for flood-control surveys were acted upon favorably by the War Department only after great effort. It was hard to convince them that a flood-control survey was necessary as they considered previous surveys answered all needs.

Writing to the Chairman of the Flood Control Committee, the Secretary of War last year stated:

It is believed that with the report already made on the Stillaguamish and the forthcoming reports on the Skagit and the Snohomish, Congress will be in possession of all information necessary for its guidance in legislation on the subject.

Authorized in 1927, two of these reports have not been transmitted to Congress. The report on the Stillaguamish states that farmers find deposits of silt beneficial.

The Department has now withdrawn its opposition to survey bills and such have now passed both the House and the Senate.

The inadequacy of the War Department in computing damages is further shown when its report is compared with conservative estimates made by the farmers under the direction of the Federal extension agent. The Stillaguamish report states that 310 acres were entirely washed away during the year November 1932 to November 1933. A loss of $24,650 was estimated from deposits of foreign materials on agricultural lands. On a very conservative scale of values the total loss during the 1 year was estimated at $234,487. Loss on the Snohomish during the same period was estimated at $381,333. The War Department estimates place annual loss at only $72,000. Loss on the Nooksack over a number of years was estimated at $535,519. In compiling these three reports, 841 farms were surveyed.

The real pathos and the utter hopelessness is to be found when the farmer vainly tries to protect his farm by revetments which he cannot understand as does an engineer. He builds a protection only to find the swirling waters wash through and eat away at his farm.

In House Document No. 307, Seventieth Congress, the War Department admits the necessity for curbing the silting of river mouths and harbors. It here recommends the construction of a dredge to keep the rivers dredged. This report states:

Difficulty is experienced in handling traffic at the mouths of rivers (rivers tributary to the Puget Sound) on account of the extensive deposits resulting from the large amounts of silt brought down each year by floods. * * * Large tonnage handled justifies some expenditure to better the navigable conditions at the mouths of the principal rivers.

This report, as illustrative of the silting, states that the Skagit River was originally navigable at high water for a distance of 69 miles, whereas in 1928, when the report was made, it was navigable only 14 miles above the mouth.

Academically the problem has been recognized by Federal authorities. Many have pointed to prevention of soil erosion as a national problem. The now Under Secretary of Agriculture, Mr. Tugwell, has stated in a newspaper article as follows:

In accordance with the President's belief that more can be accomplished through group cooperation than through individual relations with the Government, a new approach to the entire problem is contemplated. It must be abundantly evident that the maintenance of our soil is a national problem.

And further he calls attention to the—

Contribution which erosion makes to the spectacular floods which terrorize the countryside and to the subsequent silting of river channels and engineering works.

The new policy, as outlined by the President, aids in placing the responsibility for flood work. I have repeatedly tried to find the governmental agency which gave its consideration to this problem. Such efforts so far have been almost useless.

President Roosevelt's message to Congress prior to signing Public, No. 5, indicated his interest. It seemed impossible, however, to gain recognition for erosion problems even though the President had said in his message to Congress:

I call attention to the fact that this type of work (reforestation, prevention of soil erosion, and flood control) is of definite practical value, not only through the prevention of great financial loss but also is a means of creating future national wealth.

Since the passage of this act, I have continually tried to gain the location of C.C.C. camps for the purpose of preventing soil erosion. I was unsuccessful in gaining original camps for this purpose and recent efforts are met with answers like the following from regional foresters:

If authorized it would divert many camps from projects for which they have been established.

It appears that the Forest Service, which is administering this act, can only see the needs of the forests and is utterly unable to understand that much more lasting and much more economically justified work could be done on the rivers by these men hired by Uncle Sam to preserve natural resources.

Some very important work has been started by C.W.A. workers. Should this work now be abandoned in the present stage of partial completion, there will be no signs of the present work after the next flood.

To make permanent work already accomplished is a problem presenting need for dredging the lower reaches of the rivers and revetments, reforestation, and debris basins in the upper reaches.

The cost of such a program would be well within the bounds of economic justification. A comprehensive program of flood- and soil-erosion control would give diversified employment which is so needed now. In the final accounting the Nation would be richer, not poorer.

With millions still out of work, I believe the Federal Government is fulfilling its primary duty in coming to the rescue of these people. Especially when this duty can become a profitable investment for the Nation.

Instead of aiding the unemployed in terms of charitable enterprise or terms of giving some unfortunate person a little food or paying his rent, the problem certainly should be interpreted in the terms of the right of Americans to a chance to earn a living. If private business cannot do this, the Government certainly has economically justified projects such as presented by our situation to provide work until industry can and will.

According to the Federal Emergency Relief Administration, there were during the week of March 1, 1934, 40,359 persons receiving work through the C.W.A. According to the same authority, in January 1934 there were 128,718 persons receiving relief from public funds. This is merely the number receiving relief, not the total of unemployed.

When we consider the duty of this Nation, the amount expended in public works and relief cannot be said to be too large even when figured in dollars and cents. It is but a mere pittance when compared to the Nation's credit as measured in its natural resources, in its plant and man power.

In closing let me repeat, if the Nation's assets may be made larger through judicious—and control of these mad waters in my State certainly falls within such a category—care of natural resources, the State and the Nation will be enriched and the unemployed given work. We cannot deny that men and women are a much more important part of national wealth than is property. A program which cares for these people, which protects valuable lands and saving investments already made in that land, certainly should be hastened in all possible ways.

FACTS VERSUS FICTION REGARDING CHICAGO

Mr. SABATH. Mr. Speaker, on Monday, June 4, my colleague from Pennsylvania [Mr. KELLY], under leave of the House, inserted an extension of remarks carrying an oration of Harvey Schauffler, of the Glassport (Pa.) high school, which oration won the national original oration championship at Topeka, Kans.

The title of the oration was A Century of Progress, and Schauffler is to be commended for his vivid and truthful portrayal of the advancement and development in the last hundred years of science, medicine, chemistry, industry, art, and other science, and especially his splendid description of the exhibitions at this great World's Fair depicting the progress attained during the century. Credit is due to his instructors who aided him in his academic training and particularly in the preparation of his oration. Yet, unfortunately, the young man in his oration, misled by indefinite or general press reports during a former Republican administration, marred his wonderful oration by an allusion to the city of Chicago as "the mecca of crime—the gangster's playground."

This statement makes it necessary to bring home to this young man, Harvey Schauffler, to his school and its faculty, and to the rest of the American people the facts showing that Chicago, though subject to severe criticism during Republican administration, never was a "mecca of crime" in proportion to its population compared with other cities or even with towns of smaller population.

Today Chicago exhibits a gratifying lessening in the perpetration of major crimes, and is wholly undeserving of the stigma so often cast upon it by the uninformed, the irresponsible, the indolent, and the inexperienced writer, who is wont to weave a story of generalities simply to make for himself and his employer profitable reading matter, with faint thought of the injustice wrought upon the fair name of a great city or the devastating influence of poisoning the minds of his readers.

So far as young Mr. Schauffler's brilliant oration is concerned, I would have had nothing but praise for this oration had it not been for its wholly inaccurate and entirely unjustified malevolent reference to Chicago.

FACTS VERSUS FICTION ABOUT CHICAGO

The implication, I submit to any unprejudiced person, is that Chicago has a larger per capita percentage of crime, including murder, than other cities. This absolutely is not the fact. Twenty-six of the largest cities in the United States have a much larger number of murders yearly per 100,000 of population than Chicago. The American city that has the largest number of murders per 100,000 of population has a ratio of 43.88. The city that stands second has a ratio of 43.10. The city that stands third has a ratio of 39.92.

I will not mention the names of these cities, because I have no desire to unnecessarily besmirch any city. But the figures I have noted are accurate and official. Now for Chicago, the ratio of murders is only 9.31 per 100,000 of population. These figures speak for themselves, making it unnecessary for me to emphasize how unjustified was the implication of Mr. Schauffler.

Chicago never was anywhere near the top of the list of major crimes, even under the indefensible administration of William Hale Thompson. But beginning with the administration of the late Democratic mayor, Anton J. Cermak, in 1931, and continuing with the advent of the Democratic State's attorney, Thomas J. Courtney, who undauntedly flung the defiant challenge to the racketeers the very first day he entered office and who within 6 months had the gangsters and racketeers on the run and on the defensive, the crime situation has been steadily improving in Chicago as compared with the terrible conditions that existed under the previous Republican administration.

CHICAGO'S IMPROVED CRIME SITUATION

Chicago's record for cleaning up crime is outstanding—politics has been removed from the police department, merit and fitness alone prompting appointment and promotion. Under our present efficient and conscientious Democratic mayor, Edward J. Kelly, with the cooperation of the State's attorney, judges, and every branch of the present Democratic city administration, hoodlums and hoodlumism are being cut out of the Chicago picture. The morale in Chicago's police department is high—this with all the discouragements, vicissitudes and tergiversations faced by the department due to finance.

During the first 5 months of 1934, felonious homicides in Chicago were reduced by 15 percent as compared with the same period in 1933. Robberies during the same period were reduced 15 percent. Rape cases were reduced 28 percent; burglaries, 12 percent.

Larceny was reduced 13 percent. This reduction is remarkable in the face of the fact that larceny cases usually increase during times of depression.

Now, here is one of the most interesting and outstanding pieces of work accomplished by Chicago's police department. Racketeering and crime rings marked the stealing of automobiles; insurance rates were high; the condition was not as it should be. But let us look at the figures—a real job has been done. During the first 5 months of 1934 the number of automobiles stolen was reduced 46 percent. Chicago

is praiseworthily cleaning up. And what happened? Insurance rates on theft were immediately cut.

All other crimes were reduced by 8 percent in 1934.

Now, looking at Chicago's crime picture as a whole, we find an average reduction of over 21 percent in 1934 over the first 5 months of 1933. This crime decrease is concrete evidence of a thoroughly constructive piece of important work.

Prof. Raymond Moley's report to President Roosevelt commends Chicago's police department. The report by the Crime Commission gives Chicago's police department a clean bill of health. Chicago has done and is doing a real job in making the city "crime proof."

No hoodlums are walking the streets of Chicago today—no armed gangsters are making Chicago the "talk center" of the United States, as during the last Republican regime.

HIGHLIGHTS OF CHICAGO'S IMPROVING FINANCIAL SITUATION

And now, a few words as to Chicago's improved financial condition under Democratic administration:

The lead editorial in the Saturday Evening Post for June 9 states that Chicago has reduced its debt by some $40,000,000 and closed the gap between pay days by some 3½ months as compared with the same time a year ago.

Chicago is slowly but surely waging and winning her fight against the financial difficulties which beset her. The points recorded below are indications of how Chicago is solving the problem and getting back to normal:

First. Pay rolls 1 year ago were approximately 5 months behind. Today they are approximately a month and a half behind.

Second. The tax levy for city purposes in 1934 reduced from 1930 by over $30,581,000, or approximately 41 percent.

Third. Corporate vouchers unpaid at June 1, 1933, were approximately $9,000,000. At June 1, 1934, the amount unpaid is approximately the same figure, showing that in addition to catching up the pay rolls 3½ months, 1 year's expense, exclusive of pay rolls, has been paid off.

Fourth. Total expenditures for the year 1930 were $58,768,000, and in the year ending December 1, 1933, were $44,602,000, a reduction of over $14,000,000.

CHICAGO THE WONDERFUL

Mr. Speaker, in conclusion, let me say that any fair-minded visitor to Chicago in 1933, it matters not whether he came from foreign lands or the United States, marveled at the greatness of Chicago, a city which I am satisfied is destined to excel every other city in the world before another half century shall have passed. The Chicago spirit "I will" is ever present.

Our city is composed of the best elements of all the progressive men and women of all nations who are part of the contributions that have been made for its true and enduring greatness and as has been so fittingly stated by young Shauffler—

> Just as Chicago took root and grew to imposing size and beauty, so, too, those massive structures typified the very essence of the purpose of A Century of Progress. Here were shown the contribution of other civilizations, dwellings, and communities of foreign peoples and of aborigines, temples of the Orient, modern housing exhibitions, amusement places of thrills, pastimes, the talkies, racing, the drama; all in A Century of Progress.
>
> On that lake shore stood the portrayal of man's marvelous contributions to enlightenment, welfare, and happiness. Hundreds of thousands of people thronged the grounds daily, spending hundreds of thousands of dollars, admiring these achievements of men. Indeed, they had every right, every reason, every privilege, to stand open-mouthed and awe-struck in amazement at the achievements of their fellow men. Here, indeed, was A Century of Progress.

Mr. Speaker, I fully concur with that description of the wonders of a Century of Progress, and submit that it is the greatest compliment that could be paid to the city that staged this magnificent spectacle, the greatest exhibition that has been beheld by man since the curtain rose on the dawn of civilization. Chicago, indeed, as a great, modern, and beautiful city compares with A Century of Progress as the last word in a great exhibition.

The skyline of Chicago is one of grandeur and beauty; its many parks and hundreds of miles of boulevards and approximately 60 miles of widened avenues give easy access to the very heart of the great metropolis. No city excels Chicago, a city blessed by beautiful churches, schools, and libraries, its shore line dotted with bathing beaches, with its world-renowned Art Institute, and its aquarium and planetarium have no equal. Summer days see as many as 500,000 persons enjoying the lake and its cooling breezes.

Rail, water, and air transportation surpass those of any other city in the world. Its most modern hotels and apartment buildings are the envy of the architects and builders of the universe. We have a population of three and a half millions and another half million in population could be added by the suburbs which are now in fact part of our metropolis. There is no city that offers greater all-around opportunity than Chicago, due largely to its favorable location. Many valuable manufacturing sites line the Chicago River and its south, west, and north forks, and our deep waterway canal that spans the Nation connects the Great Lakes with the Gulf of Mexico, all of which stands for lower cost of production and transportation than can be found elsewhere in the United States.

Today Chicago is the safest and healthiest city; in fact, from every conceivable point of view Chicago easily surpasses all other cities and, as in the past, will afford the progressive, legitimate business man full and encouraging opportunity to recoup his fortune, as there are in Chicago more safe opportunities than are possible in the oil fields, or in the richest gold and silver mines.

We Chicagoans can truthfully say that we are coming, not thousands but millions strong, to make Chicago excel the finest dreams; and in this great effort of ours we fervently ask the good will and fair dealing of all. It is our fondest hope that hereafter and forever no one will ever be justified in assailing or attacking that which is inevitably to be the pride of America—Chicago!

A SMALL TRIBUTE TO THE PEOPLE OF SCANDINAVIAN DESCENT

Mr. JOHNSON of Minnesota. Mr. Speaker, Minnesota is the center of the Scandinavian population in the United States, the one State above all the others, where the physical environment is best fitted for these people. Norwegians, Swedes, Danes, and the Finns, who may rightly be reckoned in with the Scandinavians, live in Minnesota peacefully together, acting together in all kinds of endeavor to make Minnesota the best State in the Union in which to live.

There are many settlements where one or the other of these tribes predominate, but in most localities they all blend into a peaceful and harmonious whole, communities with beautiful and well-kept farms and well-ordered villages, where law and order rule.

They are practically all members of the same religious faith, which makes for strength and solidarity. The old immigrants still speak their mother tongue and many of the generations born here can also speak their father's or mother's tongue, but this must not lead to the belief that therefore they are deficient in the American language, which is the real mother tongue of those who are born in America.

These people believe that from worthy ancestors they inherited noble traits and characteristics which they can best preserve by not forgetting their forefathers; as the Norwegians often sing on festive occasions:

> Lat os ikkje forfederne glöyma
> Under alt som me venda og snu!
> For dei gav os ein arv til aa göyma,
> Han er storre enn mange vil tru!

No people in the United States are more concerned about the education of their young. Besides the splendid educational facilities that the State offers, there are many Scandinavian denominational colleges where the young become strengthened in the faith of the fathers.

In all walks of life Scandinavians are coming to the front, not only in farming and merchandising but in science and art, as well as in politics, for which they show a special inclination and aptness. The Scandinavians came to the United States especially well-trained for citizenship, having been reared and developed under the most highly advanced democratic governments in the world.

Under the redistricting law passed by the last legislature in Minnesota, Congressman KNUTSON and I have been thrown into the same congressional district. We are both candidates for Congress on our respective party tickets. Our district has many Scandinavians within its confines. Mr. KNUTSON was born in Norway, and I was born in Sweden.

On May 17 last he made a speech in Brooklyn, N.Y., upon the constitutional day of Norway and on the achievements of the Norwegians in America.

The constitution of Norway is a great document, a true daughter of our own Declaration of Independence, under which the people of Norway have in full measure received the blessings of a democratic form of government. Such a great statesman as the late Sir Herbert Asquith, when Premier of Great Britain, said at one time that if England should ever adopt a written constitution, for which there was an agitation at the time, it would have to take the Norwegian constitution as a model, as that was the most democratic of all written constitutions at that time.

Wherever, throughout the world, Norwegians live, they celebrate their native country's constitution day, which spurs them on to better citizenship.

In Minnesota and the Northwest, many Norwegians have attained political prominence. Mr. KNUTSON in his speech lists many of the names of Governors, Senators, and Congressmen of Norwegian blood; but the most famous of them all, Minnesota's present Governor, Hon. Floyd Bjornstjerne Olson, is strangely forgotten and left out of the list of immortals; yet he is the most typical viking crusader for the rights of the people of all of them.

Maybe this is because, while the Governor's father was born in Norway, his mother was born in Sweden.

Yet, this mixture of blood is a happy one; the blunt strength of the Norwegian tempered with the humor and polish of the Swede makes an unbeatable combination. No Governor or Member of Congress will go as far with President Roosevelt as will Minnesota's tall, viking Governor, who has met all vituperative onslaught on his policies with a smile that rivals that of Roosevelt.

The Swedes have no day like the 17th of May to celebrate, for their freedom developed along different lines. Through the 400 years preceding the nineteenth century, the lot of the Swedish people was somewhat happier than that of the Norwegians, though, on the other hand, they bled and fought on larger battlefields, as in the religious wars following the Reformation, when, under Gustavus Adolphus, they struck a decisive blow for religious liberty, and in the unfortunate war with Russia under Charles the Twelfth. They fought for world-wide freedom, for the honor of Sweden, and for the solidarity of their race, as is reflected in this stirring poem:

Hell dig, du höga Nord! hell dig vår fosterjord!
Kraft og mod, lif og blod vi offra for din ära!
Hell dig, du fria strand! hell dig du hjeltars land!
Enighet, trofasthet er dine söners lära!
Hell er, I gamla berg! jätter med jern til marg!
Fjäll og haf aldrig alaf i mannhem skola bära!
Lefve, lefve, lefve vart fosterland!

The great festive day with the Swedes, not of a religious nature, is Midsummer Day, when all Swedes, wherever they live, make merry in thankfulness for all the good things of life that wars and strife could not take away from them. There is, perhaps, no happier festival celebrated by any people in the United States than the Swedish Midsummer Day in Minnesota.

On that day they take stock of themselves and recount the great deeds of their forbears, interspersing the program with good food, song, and merrymaking. Often these festivals are held by some lake, of which there are more than 10,000 in Minnesota, to give it a truer touch of the old homeland.

The Swedes have also produced many great men in America; they have given the United States much to be proud of, and they have advanced our country's interest from the days of the Revolution, particularly from the time that John Erickson built the famous *Monitor*.

There have been so many prominent Swedes in America that it is no use to begin to enumerate them, but I feel I must mention John Lind, famous Governor of Minnesota, a man of the people, and friend and confidant of Woodrow Wilson and Congressman Charles Lindbergh, who represented the Sixth Minnesota District, prophet and seer, whose warnings it would have been well if our country had heeded.

The once fierce and warlike Scandinavians are now the foremost evangels of peace; while they are highly developed individuals they are the protagonists of the cooperative Commonwealth. It is now not so much of an effort on the part of each of these tribes in the Northwest to see which can excel over the others as to what they all collectively can do for America and for mankind. If the Swede, Carl Sandburg, has written the best Lincoln biography, the Norwegian, Rölvaag, has written the greatest pioneer saga. If John Erickson, the Swede, built the *Monitor* which revolutionized naval warfare, the Norwegian, Dr. John A. Anderson, born in Minnesota of immigrant parents, is now building the world's largest telescope at Leland-Stanford University, by the aid of which undoubtedly hitherto unknown worlds will be discovered and the littleness of things on earth be made more plain.

The Dane, Gutzon Borglum, is carving American history in the mountains on a scale that will stagger the imagination of generations to come.

Out of their comparative poverty the Scandinavian countries have given America treasure beyond compare, a race of people whose aim will always be to point to high ideals and to quicken America's conscience.

When it comes to honesty, Finland, poor in natural resources, which is the only country in Europe who pays its war debt to the United States, is setting the world a great example. The same sturdy qualities that mark the people of Finland as a remarkable people are in full measure to be found in the Finns in the United States, the greatest cooperators in our land.

THE FRAZIER-LEMKE BILL

Mr. STUBBS. Mr. Speaker, this is a critical hour for the farmers of the Nation, and those situated in California are no particular exception to the rule, and after 15 months of study, I believe that in spite of the gigantic efforts made by this administration to provide farm relief, the bulk of agriculture has not been given the assistance which it needs and deserves, and that probably our most favorable avenue of escape for our farm population is through enactment of the bill entitled "S. 457", known as the "Frazier-Lemke bill."

Scores of Members of Congress, including myself, have signed the petition on the Speaker's stand to bring this bill out of the committee and give us a chance to discuss it in the open and vote on it. I can find nothing wrong with this plan, as I believe the bill is meritorious, and open discussion of a legislative endeavor is a prime prerogative of our system of government. I know of no good reason why this bill should be buried in committee. Would that I had the power to bring it onto the floor of the House tomorrow.

My farming people—the backbone of my great district in California—are a level-headed and reasonable group of people. They appreciate the moves which this administration has made to help them, but now, in the light of events, they come to me with the report that what we are doing is not enough, and, inspecting their statements and the situation by microscopic study, I concur in their sentiments.

Results of the depression still weigh heavily upon our farmers. His debts are maturing. His commodities are selling below cost and the things he is required to buy have increased in cost. The farmer and those directly relying on the farmers constitute the bulk of our population and we cannot hope for stabilized prosperity without restoring the farmer to a fair degree of contentment and success.

The farmer is the greatest purchaser of the products of industry and without his buying power our system of business will fail. His present investments were made at a time when money was free and his products sold at a high price.

Now he is required to pay his debts and it is not humanly possible for him to do so.

If we cannot view his plight sympathetically from a sentimental standpoint, let us regard his situation from the practical side, and there, too, we will note the justice of the Frazier-Lemke bill.

S. 457, the Frazier-Lemke bill, would permit the farmer to finance his indebtedness up to 100 percent of the value of his farm. He would pay back at the rate of 1½ percent annually in an easy amortization plan, and pay only 1½-percent interest. Funds to finance this plan would be provided through issuance of Federal Reserve notes and there would be no tax-exempt bonds for taxpayers to shoulder. Only the farmers would be required to foot the bill, and further, only those who borrow will be required to pay the cost.

Under this bill a farmer not only could finance his indebtedness up to 100 percent of the value of his farm, but also secure additional financial assistance equal to 50 percent of the value of his farm equipment and permanent improvements, and if that should not suffice, he also would have recourse to additional aid in the form of a loan up to 65 percent of the value of his livestock.

Probably one of the most remarkable features of this bill is that the farmers not only would obtain sufficient funds to rehabilitate their agricultural business but the Government also would make money on the deal, for it has been estimated conservatively that through the 47-year amortization plan the Government would gross a profit of more than $6,000,000 through the small rate of interest.

This bill is designed solely to bring farmers out of their economic doldrums; it cannot, in any sense, be construed as a measure for the benefit of Wall Street and allied moneyed interests, and I am grateful for the opportunity to work on one measure so clean-cut in appearance that Wall Street and other selfish groups will not be able to get their hands on it.

Legislatures of a score of States have memorialized Congress to pass this bill. Farmers by the millions have asked for it. Cities, too, will benefit. Let us pass this vital piece of legislation at this session of Congress. Like others who are working actively on behalf of this bill, I, too, intend to work diligently for its enactment at the earliest possible hour.

YOUNG DEMOCRATS

Mr. DISNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by me on January 6, 1934, before the Young Democrats Club of Williamsport, Pa.:

Ladies and gentlemen, young Democrats of the democracy, the name I invoke here tonight is one that no Democrat can utter without reverence and no Democrat can hear without pride. It is the name of Gen. Andrew Jackson.

In the long line of Presidents of the United States there have been three particular sons of the American Revolution who have exemplified Americanism at its truest and who have clothed in complete majesty the doctrines upon which it is founded. Washington is the first of these. You may remember that when Patrick Henry came home to Virginia from the Continental Congress his neighbors and friends crowded around him to ask who was the greatest man at the convention and he answered, "Washington was the greatest man there." The second great son of the American Revolution who was a living embodiment of Americanism was Andrew Jackson, whose State papers are a political bible for the common man and constitute an imperishable monument to the truths upon which this country was founded.

The third great son of the American Revolution who exemplified Americanism at its best, showing it forth in all his ways and deeds, in every turn of his head, in every glance of his eye, and in every word he spoke, was Abraham Lincoln. There was a man so devoid of all pretense, a man so candid and honest that error could not maintain itself in his presence.

All three of these men had American minds. Not one of them was an internationalist. They were not imitations of Europeans. They were not half European and half American. They were not half slave and half free. They were absolute Americans. They were Americans, first, last, and all the time. This country seemed to them to be such a good one and they were so proud to belong to it that they had no desire to go abroad to try to ingratiate themselves with the so-called "upper classes" of foreign countries. America was good enough for them and they devoted their entire lives to the upbuilding of this country and to the welfare of its people.

All three of them—Washington, Jackson, and Lincoln—understood the common life and knew how to use their hands in the struggle for existence; Washington as a surveyor and a practical farmer, Jackson as a soldier and a farmer, Lincoln as a farmer, a river pilot, and a rail splitter. All three knew what the struggle for liberty had cost the Colonies and all three knew the value of human freedom as ordained by the Declaration of Independence and guaranteed by the Constitution of the United States. All three knew that eternal vigilance is the price of liberty, and all three practiced vigilance because they knew what liberty was worth to them. All three offered their lives in defense of their country, and one died a martyr while in the service of the Government.

George Washington, Andrew Jackson, and Abraham Lincoln did not resemble one another in all of their mental and spiritual attributes, nor were they alike in all of their opinions, but they were exactly similar in their Americanism. I will give you three incidents, one from the life of each, to illustrate my meaning.

When Washington was at Valley Forge and saw his army going barefoot in the snow, his resolution stiffened and he said to himself with invincible determination, "These are men. These are the forerunners of a new race of free men. I can win with these." He did not envy the British their hired mercenaries or their regimental tailors and supply wagons. An American himself, he was proud of his American soldiers, ragged though they were, with their feet leaving red marks in the snow.

The second incident occurred in South Carolina. When Andrew Jackson was 14 years old he was captured with his brother Robert by the British at the Waxhaws. While he was held a prisoner a British officer ordered him to black his boots. This boy, with his 14-year-old American heart, looked at the British officer and said, "No, I am a prisoner of war and I must be treated as one. Take care of your own boots." At this the British officer made a brutal and ferocious assault upon him, striking him with his cavalry saber. The boy put up his hand to ward off the blow, but his head and his arm were so badly cut that he carried the scars with him for the rest of his life. He wore them at New Orleans when he defeated the British in one of the great decisive battles of history. He wore them while he was President of the United States, and he went down into the grave with those scars on him At all times and in all places he was an American of Americans, yielding no inch to brutality and injustice, taking no orders from any foreigner.

The third incident occurred at the White House. While Abraham Lincoln was President of the United States, an Englishman happened to see him blacking his own boots. "In England", said the Englishman, "no gentleman ever blacks his own boots." Lincoln looked at him and said, "Whose boots do they black?"

In the quick response of these three men to the circumstances of the moment, Washington's to the heroism of his ragged troops, Jackson's to injury, and Lincoln's to insult, you have an illustration of that peculiar quality which freedom breeds into a man, that quality which is known as Americanism. This quality is the finest part of our heritage, because nothing else would be of much worth to us if we had to be servile in the possession of it, if we had to touch our caps to a lord riding by, or walk backward out of a king's presence. In the United States, young Democrats, it is no disgrace to be poor. It is no disgrace to be without shoes, or to wear a ragged coat. The only real disgrace here is to have a craven heart and a servile mind; to forget that one was born free; to show no spunk, and to let the fight run out of one before the time comes to say with Jackson, "I take no orders from foreigners. Go and clean your own boots."

As young Democrats, in your respective fields, I hope that you will do everything you can to root snobbery and servility out of American life. We have too many habitual serfs in our midst. Try to make men more American-minded. Teach them to be Washington-minded, Andrew Jackson-minded, Lincoln-minded. Teach them to stand up for their rights, the rights guaranteed to them by those immortal documents, the Declaration of Independence and the Constitution of the United States. Let us have more Americanism and less internationalism in America.

Most of you, I take it, are the sons and daughters of Democrats as your fathers before you were the sons of Democrats. Some of you, no doubt, are the great-great-grandchildren of men who voted for Andrew Jackson over 100 years ago. You are the descendants of men who followed with rapt attention every exploit of Old Hickory in his military career. Your fathers knew him of old and often had their hands warmly clasped in his. Some of them stood beside him in the swamps of Florida and in the canebrakes of Tennessee. If we could turn back our grandfathers' clocks and tune in on the log houses of long ago, we should hear the whole story of the Battle of New Orleans as it was told in the candlelight by Jackson's homecoming soldiers after the War of 1812. In that battle, the Americans lost 8 killed and 13 wounded. The British lost 4,000 in killed, wounded, and captured.

"God of battles, was ever a battle like this in the world before?"

Do you know what Jackson said while he was throwing up the earthworks which were to save the city of New Orleans and the children of New Orleans from destruction? He remembered the Waxhaws where he had been captured and marked for life by a British officer wielding a heavy saber. He remembered his dead brothers and his young mother whose grave he had vainly sought to find, and he said, "Come on, men. Let's give them a taste of the Waxhaws." What a wonderful thing it is for a country to

have in its history a man of such irresistible courage! Jackson was the greatest fighting President this country has ever had. He had courage in his eye and in his voice and in his heart and in his head. He fought with any weapon that liked him. Sometimes he used his bare fists, sometimes he took his pistols out of their traveling case, sometimes he drew the sword, and when he was most terrible he sat him down before an old desk at the White House and took up his great steel pen.

You all know the story of his childhood. His parents came from Ireland to South Carolina, and Andrew was born at the Waxhaws in 1767. His father died shortly before he was born. His mother was cast in an heroic mold. She lost her son Hugh in one of the battles of the Revolution, and her son Robert died as a result of his imprisonment with Andrew after the second fight at the Waxhaws.

When the boys were captured they were carried off to Camden and confined in a stockade on a hill at the outskirts of the city. Mrs. Jackson went into Camden and obtained their release by arranging an exchange of prisoners with Lord Rawdon. She then set out for home, with Robert in a dying condition from smallpox and Andrew stricken with the same disease. Robert died a few days after they reached the Waxhaws. Andrew recovered, and as soon as he was well enough to be left alone his mother, with two other patriotic women of the settlement, sent down to Charleston, 160 miles away, to see if she could do anything to mitigate the sufferings of the American men and boys who were imprisoned in hulks in Charleston Harbor. Conditions on those hulks were frightful, but the intrepid mother of Andrew Jackson held to her task until she was taken ill with yellow fever. She died and was buried in an unmarked grave at Charleston, and the young boy who was vainly waiting for her to come home to the Waxhaws never saw her again nor did he ever find her grave, although he went to Charleston and made heartbreaking efforts to do so.

After his mother's death Jackson went to live with one of his uncles. He worked for a time as a saddler; attended an academy, taught school, and studied law. A legacy from his grandfather in Ireland enabled him to complete his education. So equipped for the battle of life, he left South Carolina and moved over into Tennessee.

He carried valuable memories away with him when he crossed the mountains to his new home. He could look back to the great patriots of South Carolina, to Lynch, Heyward, Middleton, and Rutledge, who had signed the Declaration of Independence for his native State, and he could dwell, as all South Carolinians loved to dwell, upon the character and achievements of Gen. Francis Marion, whose methods of warfare had a part, no doubt, in the shaping of his own military genius. But most of all, he remembered his mother. Thirty-four years after her death, while he was disbanding the army with which he had won the Battle of New Orleans, he spoke of her to three members of his military staff.

"Gentlemen", he said, "how I wish she could have lived to see this day. There never was a woman like her. She was as gentle as a dove and as brave as a lioness. * * * The memory of my mother and her teachings were the only capital I had to start life with and on that capital I have made my way."

Jackson was a splendid specimen of humanity. He was over 6 feet tall and as straight and almost as thin as a pole of hickory. He was polite but positive and his eyes, which were dark blue, were heavily charged with what might be called "mental dynamite." He was born to command and he looked the part. He always plunged heavily into anything he had to do and he employed no personal shock troops, bodyguards, or outriders. His political opponents endeavored to picture him as an uncouth personage from the wilds of Tennessee, but his appearance gave the lie to these fabrications. During his first campaign for the Presidency, Daniel Webster, who was a good judge, said that Jackson was the most Presidential-looking of all the candidates. And so, we may be sure, he was.

I have no doubt you are all acquainted with the successive steps by which he rose to fame. You may remember that not long after his arrival in Tennessee he was made district attorney or public prosecutor for the Territory. To fill that position at that time required all the courage a young man possessed. The records at Nashville show how well he filled it. Jackson's next step on the ladder brought him to the bench as a judge. Here he was equally fearless. Once when the sheriff was ordered to arrest a desperate criminal and to bring him into Jackson's court, the sheriff reported that it was impossible for him to take the man unaided; whereupon Jackson descended from the bench, told the sheriff to summon him as his deputy, received the summons, walked outdoors, and crossed the street to the place where the man was waiting to shoot at sight. Jackson took the man, assured him that he would protect him from violence, marched him into court, took his place on the bench, and heard the case. There was no fear in him, and he taught men everywhere to respect law and order and to submit themselves with good grace to the restrictions of society.

In 1792 he led a military party against the Indians who had attacked Robertsons Station on the Watauga River. In 1796 he was a member of the constitutional convention which met at Nashville to form a constitution for Tennessee, and he it was who gave the new State its beautiful name. In that same year he became a Member of Congress. In 1797 he was appointed to the Senate of the United States, and in the following year he resigned and went into business of a mercantile nature in the vicinity of Nashville. From 1798 until 1804 he was chief justice of the Supreme Court of Tennessee, sharpening his legal faculties by strict applications of the law. In 1804 he left the bench and built himself a log house on a plantation 10 miles from Nashville, naming it "The Hermitage." For some years thereafter he was engaged in business with John Coffee and John Hutchings, the firm acting as general storekeepers, boat builders, supply merchants, and dealers in stock and produce. When the War of 1812 began he offered the services of the Tennessee Volunteers to the Government and mustered his men at Nashville for the Natchez campaign.

Thereafter he continued to take an active part in the War of 1812, and, on January 8, 1815, he won his great victory over the British in the Battle of New Orleans. This, as I have said, was one of the decisive battles of history. If the British had taken New Orleans they would have disputed our right to the territory embraced in the Louisiana Purchase and all the lands west of the Mississippi would have passed under their control. Jackson won the Louisiana Purchase by the sword after we had paid Napoleon for it in cash.

After the War of 1812 General Jackson conducted a brilliant and successful campaign in Florida and took possession of the Florida Territory for the United States Government.

Senator Douglas, the "Little Giant" of Illinois, said of Jackson that he never lost a battle or failed in a skirmish. On June 1, 1821, he was honorably discharged from the United States Army and a few weeks later he delivered his farewell address to the men of that service.

About this time "Old Hickory" began to be talked about as a candidate for the Presidency. He came back to the United States Senate in 1822. In 1824 he ran for the Presidency and received a plurality of the electoral vote but failed to receive a constitutional majority. The election went to the House of Representatives and the House elected John Quincy Adams. Four years later Jackson was again a candidate and this time he defeated Adams by an overwhelming majority. Before he had been long in office he secured payment of the Danish indemnities, obtained a settlement of the West India trade question with Great Britain, negotiated a treaty with France for the payment of our claims against her, and electrified the country by his emphatic toast at Jefferson's birthday dinner, "Our Federal Union—it must and shall be preserved." In 1832 he issued a proclamation against the Nullification Act of South Carolina.

During his first term as President the lines began to form at Washington and throughout the country for what was destined to be the greatest battle of Old Hickory's career—a battle which ended in his destruction of the Second Bank of the United States. This bank was an unconstitutional monopoly which was slowly but surely strangling the young Republic.

One quarter of all its capital was owned by Britishers, and Britishers likewise owned stock in all the principal banks of the great cities. General Jackson had had a long experience in the mercantile business, and he saw that it was an evil thing to put all the business of the United States under the control of a banking monopoly. Individual banks, he thought, had their uses, but a central bank with branches spread out all over the country exacting tribute from every man, woman, and child, seizing the tax money paid in by the people and using it for its own benefit in stock market speculations and surreptitious commercial loans to foreigners, a bank with branches united under one monopolistic charter, seemed to him to be an engine designed for our destruction. He knew that such a bank, authorized to prey upon wages, prices, property, and savings, would, in the end, dominate and control the Government and destroy the Nation.

To Jackson, with his fine moral sense, it seemed a hideous betrayal of the people to have such a slave-driving institution set up in the United States. He did not think it was right to have a corporation designed for plunder and able to levy tribute on every business transaction of the common man operating here for the benefit of foreigners and the so-called "upper classes" at the expense of the people and their Government. General Jackson, of course, was not alone in holding this opinion. Thomas Jefferson had said:

"I conceive the establishment of a United States bank as a direct violation of, and dangerous to, the free spirit of the Federal Constitution and oppressive and hostile to the free institutions of the American people."

Again, Jefferson said, in his official opinion of 1791:

"It is known that the very power now proposed as a means was rejected as an end by the Convention which formed the Constitution. A proposition was made to them to authorize Congress to open canals, and an amendatory one to empower them to incorporate. But the whole was rejected, and one of the reasons of the rejection urged in the debate was that they would then have a power to erect a bank which would render the great cities where there were prejudices and jealousies on that subject adverse to the reception of the Constitution."

In 1791 James Madison said, "A power to grant charters of incorporation was proposed to the General Convention of 1787 and rejected."

Again, James Madison wrote:

"I can never give my sanction to an institution which is capable, in any emergency, of controlling the mercantile interest of the country. I cannot recognize the authority of Congress to charter a bank."

Concerning the First Bank of the United States, which was the parent of the Second, Jefferson said in 1803:

"This institution is one of the most deadly hostilities existing against the principles and form of our government.

"The Nation is, at this time, so strong and united in its sentiments that it cannot be shaken at this moment. But suppose a series of untoward events should occur, sufficient to bring into doubt the competency of a Republican Government to meet a crisis of great danger, or to unhinge the confidence of the people in the public functionaries; an institution like this, penetrating by its branches every part of the Union acting by command and in phalanx, may, at a critical moment, upset the Government.

"I deem no government safe which is under the vassalage of any self-constituted authorities, or any other authority than that of the Nation or its regular functionaries."

In 1811 Henry Clay said of the First Bank of the United States:

"I conceive the establishment of this bank as dangerous to the safety and welfare of this Republic."

Again, Jefferson, in his Memoirs, made the following statement:

"The Federal Party now look to a single and splendid government of an aristocracy, founded on banking institutions and moneyed corporations, under the guise and cloak of their favored branches of manufactures, commerce, and navigation, riding and ruling over the plundered ploughman and beggared yeomanry. This will be to them a next blessing to the monarchy of their first aim, and perhaps the surest stepping stone to it."

These extracts show that if there is one thing more than another which is abhorrent to the true American mind, that thing is a central bank. The Democratic doctrine is that no authority should be set up inside the Government to eat it out of house and home and finally to wreck it, and then insolently to offer to take the Government over and to operate it for private gain.

The Constitution does not authorize the Federal Government to set up a central bank or anything resembling one. Central banks are instruments of oppression and injustice. Jackson, with his clear mind and highly developed logical faculties, saw that either the Second Bank of the United States would have to go or the Constitution be abandoned. As a man of honor, it did not take him long to decide which one should be destroyed. He decided to let the usurers and the foreign capitalists shift for themselves. He had taken an oath to preserve, protect, and defend the Constitution, and he set about the work he had to do as efficiently as he had once set about throwing up earthworks and storing ammunition for the decisive Battle of New Orleans.

Nowadays, when people discuss the impropriety of permitting a banking monopoly in the shape of a central bank to rule the country, the discussion seems to revolve around the question of constitutionality. Some lobbyists come down to Washington try to tell us that the Constitution has been stretched and can still further be stretched to cover a central-bank monopoly. They miss one great point, and that is that a central bank is a vicious thing in itself.

It is as vicious as slavery and means in the end the slavery of all instead of the slavery of a few. Even if it were constitutional a central-bank monopoly would not be right any more than slavery was right under the Constitution before we got rid of it. Consequently, no amount of stretching the Constitution will ever make a central bank respectable.

Having given you the opinions of some of our greatest Democrats concerning the octopus of a central bank, I now wish to give you an opinion from within the ranks of the privileged few who profit by such monstrous citadels of corruption. In a circular letter sent out by the London bankers, Baring & Co., in 1837, a central bank is thus described:

"A bank is an institution which gives great political power to its possessors and ministers. * * * From its nature, the influence of a bank must be allied to the aristocracy of wealth and not to the democracy of numbers and this is more especially the case with great chartered banks having immense power. The Bank of the United States was one of this description and its political influence was prodigious."

This circular letter was designed by the London capitalists who had been identified with the second bank of the United States to rally the aristocracy of England and the United States to act together in changing this country from a democracy of numbers, in which each one of us has an equal part and a chance to live in the world like a free man, to an aristocracy of wealth, in which the men at the top give orders and issue rations to the rest of the people in payment for their labor. The Baring circular was one of many efforts which English capitalists have made to bring us into a condition of financial servitude and governmental incapacity.

At various times I have been asked by my constituents to tell them, in primer fashion, just how a central bank starts and what it really is. It usually begins with a small group of financial adventurers who go to a government and say, "Let us have the tax money of the people as fast as they pay it in. We will take care of it and let you have it back in small sums whenever you need it. In the meantime we will use it for our own benefit, and what we make on it by speculation will pay us for the trouble of keeping it."

The Government says, "What next?" The money gangsters answer, "You will have to give us a charter and permission to issue paper money or to get paper money from the Government printing presses so that we can lend that paper money, which will cost us nothing, to the people at a high rate of interest."

In my opinion, a Government might as well jump over a cliff as to say yes to such propositions as these. Control and possession of the public funds and control of the currency are political obligations resting on a government, and there can be no good government when these governmental functions are given over to private bankers operating a central bank for the financial benefit of themselves and their foreign confederates. A good government will never go into partnership with private interests. It will never create a monopoly for a favored class at the expense of the common people. It will not have one kind of money for the rich and another and a worthless kind for the poor. It will never tolerate a central bank.

Jackson not only destroyed the Second Bank of the United States but he left behind him a record of the conflict which no sophistry can ever refute. In his farewell message to the American people, he has this to say concerning the Second Bank when it was at the peak of its insolence, and daily engaged in defying the Government:

"The immense capital and peculiar privileges bestowed upon it enabled it to exercise despotic sway over the other banks in every part of the country. From its superior strength it could seriously injure, if not destroy, the business of any one of them which might incur its resentment; and it openly claimed for itself the power of regulating the currency throughout the United States. In other words, it asserted (and undoubtedly possessed) the power to make money plenty or scarce, at its pleasure, at any time, and in any quarter of the Union, by controlling the issues of other banks, and permitting an expansion, or compelling a general contraction, of the circulating medium, according to its own will. The other banking institutions were sensible of its strength, and they soon generally became its obedient instruments, ready at all times to execute its mandates; and with the banks necessarily went also that numerous class of persons in our commercial cities who depend altogether on bank credits for their solvency and means of business; and who are, therefore, obliged for their own safety, to propitiate the favor of the money power by distinguished zeal and devotion in its service.

"The result of the ill-advised legislation which established this great monopoly was to concentrate the whole moneyed power of the Union, with its boundless means of corruption, and its numerous dependents, under the direction and command of one acknowledged head; thus organizing this particular interest as one body, and securing to it unity and concert of action throughout the United States, and enabling it to bring forward, upon any occasion, its entire and undivided strength to support or defeat any measure of the Government. In the hands of this formidable power, thus perfectly organized, was also placed unlimited dominion over the amount of the circulating medium, giving it the power to regulate the value of property and the fruits of labor in every quarter of the Union; and to bestow prosperity, or bring ruin upon any city or section of the country, as might best comport with its own interest or policy.

"We are not left to conjecture how the moneyed power, thus organized, and with such a weapon in its hands, would be likely to use it. The distress and alarm which pervaded and agitated the whole country, when the Bank of the United States waged war upon the people in order to compel them to submit to its demands, cannot yet be forgotten.

"The ruthless and unsparing temper with which whole cities and communities were oppressed, individuals impoverished and ruined, and a scene of cheerful prosperity suddenly changed into one of gloom and despondency ought to be indelibly impressed on the memory of the people of the United States. If such was its power in a time of peace, what would it not have been in a season of war with an enemy at your doors? No nation but the freemen of the United States could have come out victorious from such a contest; yet if you had not conquered, the Government would have passed from the hands of the many to the hands of the few; and this organized money power, from its secret conclave, would have dictated the choice of your highest officers and compelled you to make peace or war, as best suited to their own wishes. The forms of your Government might for a time have remained, but its living spirit would have departed from it."

From these words of Andrew Jackson's, you can see that a central bank is a challenge to the Government. It is an outlaw which keeps its guns trained on the free institutions of the land. Its continued existence means the destruction of Americanism. It has no kinship with Democracy. Conditions during the last 4 years while we have been enduring the terrible panic brought on by those who control the Federal Reserve Board and the Federal Reserve banks are the same in essence, only far more dreadful than those from which this country suffered when the second bank of the United States had the Government under its control. In fact, by a strange parallelism of history, the problems which are facing the United States today are exactly the same as those which Andrew Jackson, in his illimitable wisdom, faced and solved for us 100 years ago. We are in a condition of abject slavery to the Federal Reserve Board and the Federal Reserve banks, and all of us have to dance like puppets when they pull the strings. We have what Jackson called a hydra-headed monster of corruption which swallows up the taxpayer's money as fast as it is paid in, and which speculates with it and with Government credit in all parts of the world.

Let me show you how such evils increase and multiply themselves. In 1913, when the United States Government handled its own money through the independent United States Treasury, the annual Federal Budget was about $725,000,000. Year by year since then the costs of government have increased until of late the overburdened taxpayers have been compelled to find about $5,000,000,000 annually to maintain the Federal Government and,

for the coming fiscal year, a Budget of nine and one-half billions is proposed. How and why have United States governmental costs been so increased? They have been so increased because the Federal Reserve banks are not satisfied to handle yearly a mere $725,000,000 of the taxpayers' money. They want more tax money to keep out on call in the New York Stock Market and to invest in the open-discount market in the bad debts of foreigners and to lend to foreign nations. The higher the Budget and the more governmental expenses are increased, the more money the Federal Reserve banks will have on hand for speculation. They monopolize every dollar of the public revenues, just as they have taken every dollar of our gold, and of all that they take nothing in the shape of real money ever comes back.

The bills of the Government are paid with checks or with Federal Reserve currency which is not money but merely a promise to pay money and with Government credit which is unlawfully appropriated by the Federal Reserve Board and the Federal Reserve banks in violation of the law. It is the mark of a good Democrat to abhor an institution of that sort. It may be necessary for the Government to spend $9,500,000,000 plus other amounts, or a total of over $10,500,000,000 during the coming fiscal year, but not one dollar of that money the revenues the Government intends to take from the people should be handed over to the Federal Reserve Board and the Federal Reserve banks. Those banks are the legal agents of the Bank of England and an agent, as I understand it, is one who takes orders from his principal and executes them for that principal's benefit. Why should the Federal Reserve Board and the Federal Reserve banks and their principal, the Bank of England, be given possession of the tax money of the American people? Why should the people of the United States be taxed to upbuild the British Navy and to abolish the slums of London?

Besides having control of the revenues of the Government, the Federal Reserve Board and the Federal Reserve banks have complete power over all issues of United States currency. The sovereign power of the Government to control the issuance of currency was taken away from it by the Federal Reserve Act and given over to these private money sharks and their foreign confederates. One of their chief confederates is the governor of a foreign central bank of the worst kind. It has been said that he used to come here in disguise under an assumed name because the Federal Reserve Board and the Federal Reserve banks did not wish the people of the United States to find out the nature of his business in this country. If Jackson were here, he would say that these visits of that foreigner and his secret transactions with the Federal Reserve Bank of New York "smack so much of deception that they made my hair stand on end for 1 hour when I first heard of them."

It is the duty of the Government to preserve its sovereign power over the currency, to issue money, and to safeguard the tax money that the people of the United States pay into the Public Treasury. It is not the business of the Government to lend money.

It is the business of banks to take care of their depositors' money and to make loans, if they wish, on reasonable terms and on good security. It is not the business of banks to permit themselves to be placed in a condition of vassalage to a monstrous central bank which seizes the revenues of the Government and controls all the issues of its currency and by controlling its currency, exercises a life and death power over all the people.

There is no excuse for continuing the existence of the Federal Reserve Board and the Federal Reserve banks. They are hopelessly corrupt; they have bankrupted the Government, and ruined and impoverished the people. In my opinion, there will be no peace or prosperity in this country until they are done away with.

In matters pertaining to the public revenues and the currency, Jackson will always be our best guide. Before he came to the presidency, he had handled money all his life. As a lawyer, he collected hundreds of accounts for his clients. At one term of court in Tennessee, he was employed in nearly every case on the docket involving the collection of money. As district attorney for Tennessee, he had dealt in affairs involving money. As a judge, he had before him at one time or another almost every kind of money claim. Thereafter, as chief justice of the Supreme Court of Tennessee, he surveyed money matters on a larger scale and had the oversight of aggregations of capital. As a business man, he handled money and knew every shade of the money question as it concerns business. As a military officer, he disbursed large sums for the Government and did it efficiently. As a Member of Congress, first in the House and afterward in the Senate, he had an opportunity to become still better acquainted with the subject. He knew the way in which the common people of other nations were fleeced and kept in poverty and subjection by their rulers through the instrumentality of a central bank.

He saw the same evil instrumentality entrenching itself here, and, in the most brilliant administration this country has ever witnessed, he rose to one of the greatest and most necessary tasks in our history and destroyed the bank. He destroyed it as unhesitatingly and as efficiently and remorselessly as he would have destroyed a rattlesnake on a schoolhouse path. I have been told that when certain international bankers foregather to plot new ways of getting something for nothing, they begin by cursing Andrew Jackson. Some of them see that old white head and those sparkling blue eyes, and that long forefinger, and the thought that he or his ghost may some day ride up Pennsylvania Avenue and take the Treasury away from them, haunts all their waking hours. These are the men who try to create the impression that Jackson came from the country and didn't know much about monetary matters and high finance. As a matter of fact, he knew all about money—historically, legally, politically, commercially, judicially, militarily, legislatively, and Presidentially. He was a master of the subject.

If you ask me where I stand on the money question, I will tell you. I stand with Andrew Jackson, the great young Democrat who came up from South Carolina to save and redeem his country from financial slavery to a class of parasites.

When "Old Hickory" left the Presidency and returned to his home in Tennessee, he had only $90 in cash and it was necessary for him to sell a part of his plantation and to make a new start with the remainder. I mention this to let you know that no one could accuse him of having grown rich in office.

Before he became President, he had replaced his log house known as "The Hermitage" with the mansion which stands there to this day. "The Hermitage" is a beautiful house set at the end of a long avenue of cypress trees. In his later years, General Jackson received many callers there and one of his visitors has described the interest he took in his apple orchard and in the gardens of that lovely home in the State where the ring dove's notes are mingled with the rippling Tennessee.

Tonight I have called your attention to the Americanism of Washington, Jackson, and Lincoln. It was an Americanism that did not begin and end in themselves alone. It was shot through and through with a love of country. Not one of them would have exchanged his title as a plain American for the proudest coronet the Old World has to offer. These men loved America with an abiding love. They wished the United States to endure. They wished our Nation, conceived in liberty and brought forth in righteousness, to stand up forever against the assaults of its enemies. They wished this to remain a government of the people, by the people, for the people. They wished it to be the sure haven of the common man and its free institutions to be the inalienable heritage of his children. But each one of them feared that the dream might be broken and the common people be dispossessed as their forefathers had, through centuries of misrule and orgies of political corruption, been dispossessed in Europe. Fearing that some evil might so overtake us, each one of them gave us a solemn warning. Washington told us to stay at home and to beware of entangling alliances.

Lincoln warned us that if we perished, it would be by our own act, in short, by suicide. Jackson took the Second Bank of the United States and held it up before our eyes and warned us that this Nation cannot have at one and the same time a Constitution guaranteeing equality of opportunity to all and a central bank receiving special favors and exercising governmental functions in defiance of the people's rights.

Jackson's Americanism is characteristically shown in his last will and testament. The people of Philadelphia in this State of Liberty Bell had given him a beautiful sword in commemoration of their respect and affection for him. He bequeathed this sword to his grandson as follows:

"I bequeath to my beloved grandson, Andrew Jackson, son of Andrew Jackson, Jr., and Sarah his wife, the sword presented to me by the citizens of Philadelphia, with this injunction, that he will always use it in defense of the Constitution and our glorious Union and the perpetuation of our republican customs, remembering the motto, 'Draw me not without occasion nor sheath me without honor.'"

Another of his swords he willed away in the following terms:

"To my grandnephew, A. J. Coffee, I bequeath the elegant sword presented to me by the Rifle Company of New Orleans, commanded by Captain Beal, as a memento of my regard, and to bring to his recollection the gallant conduct in defense of New Orleans in 1814 and 1815, with this injunction, that he wield it in protection of the rights secured to American citizens under our glorious Constitution against all invaders whether foreign foes or intestine enemies."

Young Democrats of the Democracy, did I not speak truly when I said that no Democrat could utter the name of Andrew Jackson without reverence and that no Democrat could hear it without pride?

THE NEED OF A NATIONAL VETERANS' CONFERENCE

Mr. LEMKE. Mr. Speaker, within the last few days my office has again been flooded with propaganda from the so-called "Economy League" and some of its subsidiaries again calling attention to the enormous cost of caring for our veterans of the past wars. This propaganda comes from the same gang of coupon-clipping, tax-dodging "paytriots", some of whom worked for the Government at a dollar a year during the World War, and all of whom dipped their hands into the American people's pockets on liberal American war contracts to the tune of millions of dollars during that same period of time.

They are becoming active again because Congress has seen fit to remedy some of the injustices which were committed against the soldiers by the passage of the so-called "Economy Act", in the special session, March 20, 1933, because we, as representatives of all of the people, have again assumed some of the obligations which this Government owes its veterans.

It is not strange that this bunch of coupon-clipping international bankers should become active again. We saw some of them testifying before the Committee on Banking and Currency of the Senate last year, admitting that they made millions of dollars in profits, while this Nation was suffering the greatest depression in its history, and also admitting at the same time that by fine manipulation and semi-legal evasion of the law they failed to pay a penny in income tax to the United States Treasury. This group of men who make up the personnel of the organizations which have for their purpose, "Economy at the expense of the veterans and his dependents", were active in their own mad desire to accumulate wealth from whatever source it might be available, while the soldiers—the cream of this Nation—marched forth in the defense of the United States to give their limbs and life if necessary.

The way we have treated the veterans during and since the war is a national disgrace. We still have millions of dollars to spend for paraphernalia for future wars, but nothing for the care of the human wreckage which is the result of our past bad investments in foreign nations. I would like to read to you for your information a quotation from the Chicago Tribune of May 21, 1920:

Every soldier knows the training camps were located not for training purposes but to bring money to favored communities.

Every soldier knows that of the money not deliberately misspent, fully one-half was wasted, because it was administered by miserable incompetents appointed for political advantage.

Every soldier knows what an infinitesimal fraction of war-time expenditures ever reached the battlefield.

Every soldier knows that both his comfort at the rear and his safety on the batttlefield were sacrificed.

Every soldier knows that throughout the war his interest was sacrificed to that of the slacker and profiteer.

Every soldier knows that the only suggestion of national economy has been to economize at his expense.

When will all of this activity against the veterans, in the name of economy, be stopped? Not until the veterans, farmers, artisans, and professional men and women of this Nation take their proper united position and interest in their Government and in who they send to Congress to represent them. Not until they are united for action on a solid front in their own defense.

It has come to my attention that Victory Post No. 4 of the American Legion of Washington, D.C., has authorized a National Veterans' Conference Committee, of which Doak E. Carter is chairman, to call a national conference of representatives of all patriotic veterans' organizations and units of the veterans of the World War and Spanish-American War, regardless of their veterans' organization affiliations, to be convened in Washington, D.C., about the middle of October. This conference will afford 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 veteran may again be restored to that high level of patriotic idealism which was once theirs." This I feel is a worthy objective and with the veterans coordinated in a cooperative united organization, they will be a power for justice and a better Government in this great Nation. I heartily endorse this movement on the part of the veterans.

THE COMPACT OF CONCORD

Mr. McCORMACK. Mr. Speaker, one of the most important events of public interest in governmental efforts and action toward progress and the solution of problems confronting us today is the interstate compact entered into at Concord, N.H., on May 29, 1934, centering itself around the humane principle that "No employer shall pay a woman or a minor under 21 years of age an unfair or oppressive wage." The meeting at Concord consummated (subject to the approval of the legislatures of the several States—Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, and Pennsylvania—signatories thereto, and to the assent of the Congress, the efforts of many months of unselfish, tireless, and constructive work by the commissioners of the several States signing the compact.

In the past the interstate-compact clause of the Federal Constitution has been resorted to only in a limited way, such as determining boundary disputes, river and waterway problems, and other problems of a limited and specific nature. For years progressive-thinking persons realized the opportunity of the use of such provisions of the Constitution in a broader way and for more general purposes. The compact entered into at Concord constitutes one of the most important events of our peace-time history. It represents a sound, constructive step forward. It is another illustration of the vision and the wisdom of the framers of the Constitution. It is also significant and interesting that the objective of the compact of Concord is to try to obtain for women and minors of the several States signing the same and employed in industry a greater degree of economic and social justice. It also shows the great possibility of the future use of this provision of the Constitution in solving problems or matters of a general nature in which two or more states have the same common interest and background. In this interesting field of governmental action the Concord compact blazes the pathway for the future.

It affords the opportunity for two or more States possessing a common interest on a particular question or problem of public concern to adjust it between themselves without resorting to legislative action by the Federal Government, which is usually at the expense of State sovereignty or State rights. Seldom resorted to in the past, and in a limited and specific manner, these provisions of the Constitution present an opportunity for future use of great benefit to our people and to the preservation of our dual system of government.

The signing of the Concord compact was a dramatic scene. In my opinion, future historians will record it as one of the most important events of our peace-time history. President Roosevelt, who as Governor of the State of New York was a pioneer in this movement, in a letter to the commissioners representing the several States, said in part:

The Secretary of Labor has told me that on Tuesday representatives of the States of Connecticut, Maine, New Hampshire, New York, Rhode Island, Massachusetts, and Pennsylvania are to convene at Concord, under your chairmanship, to consider and to act upon a draft interstate compact establishing uniform minimum standards for conditions of employment.

You may recall that in January of 1931 when I was Governor of New York I called the first conference of officials of the Northeastern States to consider the possibility of proceeding by joint State action to maintain and to improve industrial and labor standards. Because this meeting on May 29 at least in part is an outgrowth of our earlier discussions in Albany, I naturally have a deep personal satisfaction in it. But my interest goes much further, for the State action now proposed is complementary to the national action already taken in Washington to give American citizens a more ample and more secure life.

In a letter to the conference, Secretary of Labor Perkins, another pioneer advocate of this movement, said, in part:

I hope you will extend to the representatives and to the guests who attend the conference my heartiest congratulations and good wishes upon their substantial accomplishment.

Miss Perkins in her letter also said that she regarded the—

efforts of the conference as of the greatest significance and as one of the most important progressive steps taken in the labor field in the last decade.

In a statement to the conference, Governor Winant of New Hampshire, another pioneer in this movement, in clear and concise language, said:

One of the significant developments in labor legislation in the last year is that represented by revival in interest in interstate compacts and the application of the compact idea to labor and industries. In section 10 of article 1 of the Constitution of the United States authorization is given by implication for States to enter into formal agreements on matters of mutual concern, provided the consent of Congress is secured. The authority has been used in the past in such matters as State boundaries and waterways. Its utilization in connection with labor legislation is an innovation.

I long have thought it possible to use the compact plan as a means of securing greater uniformity in the labor laws of States with both common and competitive labor and industrial problems. It has taken a number of years before we could put this plan into practical effect. We have felt the importance of making interstate labor compacts practical, workable, and effective

within a reasonable period of time; we have felt the importance of safeguarding State legislation and supporting Federal legislation; and also the importance of taking up the question whether interstate compacts can be a means of making permanent the social gains resulting from the N.R.A. Through the means of interstate compacts, there is a possibility that States can be brought into closer relation with one another, and they also can be the means of securing cooperation with the Federal Government.

In this constructive and progressive achievement men and women in public and private life of the States signing the compact have played a splendid and important part therein. Men and women in other States of the Union are also leaders in this movement to give real life and meaning, in a constructive and progressive way, to the use of the interstate-compact clause of the Federal Constitution and in a manner which will enure to the general welfare.

There is no question but that this movement is gaining headway, particularly among the Northeastern States. At the Concord conference preparations were made to consider a title on child labor and a title on hours of labor at the next meeting of the commissioners to be held at either Augusta or Portland, Maine, the latter part of this month (June). Some of the Southern States have already held conferences, and other conferences have been arranged for the future.

The use of this provision of the Constitution by States having a common problem or a common interest on a matter of concern to their people affords an opportunity for the solution in a satisfactory way, without the necessity of the Federal Government taking jurisdiction, or of the States transferring their responsibilities to the National Government, of many regional problems. Our dual system of government has served us well in the past. It is the best system for our vast country, with differences in economic and social problems existing in different sections of the country. Uniform laws, applicable throughout the country, in some fields of legislative endeavor, meet with this obstacle, and while such legislation may be basically correct, is difficult of enforcement because of the difference in conditions which exist in the several sections of our country.

The interstate-compact clause, if resorted to in a proper and effective way, affords an excellent opportunity to regulate and control such a situation, with the differences that exist, for the general welfare of Nation and State. At the same time it enables our dual system of government to be preserved, and to continue to serve in the future with as great a degree of success as it has served in the past.

Copy of compact entered into at Concord, N.H., on May 29, 1934:

COMPACT FOR ESTABLISHING UNIFORM STANDARDS FOR CONDITIONS OF EMPLOYMENT, PARTICULARLY WITH REGARD TO THE MINIMUM WAGE, IN STATES RATIFYING THE SAME

TITLE I. POLICY AND INTENT

Whereas enforcement among the industrial States of the Union of reasonably uniform standards for labor in industry, determined in accordance with the general welfare, would not only benefit labor but would be of real advantage to employers, removing the pressure toward low wages, long hours of work, exploitation of minors and women, and similar action commonly admitted to be injurious to all concerned; and

Whereas the advantages of such uniform standards have already been indicated by the operation of the National Industrial Recovery Act and the codes of fair competition adopted thereunder; and

Whereas such operation points to the desirability of continued uniform legislation affecting labor standards, by Federal action or otherwise, and of joint action by the States to establish such uniform standards; and

Whereas the establishment of reasonably uniform standards in States concerned with the same general fields of industry and competitors in the same markets will afford the advantages of stability in labor legislation to all concerned, with disadvantage to none: Now, therefore,

The States whose commissioners have signed this compact, and which have, by their legislatures, ratified the same, acting to promote the general welfare of the people, do hereby join in establishing the said compact to provide uniform minimum standards affecting labor and industry in the said States.

Provided, however, That nothing herein contained shall be construed as abrogating, repealing, modifying, or interfering with the operation of laws already in effect in any State party hereto which establish standards equivalent to or above those herein specified, nor to prevent or discourage the enactment of additional laws establishing similar or higher standards; nor shall anything herein contained repeal or affect any laws concerning conditions of employment that are not in conflict herewith or that deal with subjects not included herein; and

Provided further, That no part of any title of this compact nor of any legislation adopted in pursuance thereof, except as may be expressly specified in such title or in such legislation shall be in effect in any State party hereto until this compact shall have been approved as provided in section 6 of title II, but whenever titles I and II hereof and any other title included herein are so approved and ratified, such titles shall be in full force and effect as laws of the States so approving and ratifying the same.

TITLE II. GENERAL PROVISIONS

SECTION 1. Each State party to this compact shall require its administrative agency or agencies charged with the administration and enforcement of this compact and of State laws relating thereto, to make comprehensive and detailed reports concerning the operation and administration of said compact and laws. Such agency shall report at least once each year and shall send copies of such report to the interstate commission established under the following section, to the Governors of the several ratifying States, and to the appropriate administrative agencies in such States.

SEC. 2. Each State party hereto shall make provision for a continuing unpaid commission representing industry, labor, and the public, and appointed by the Governor of said State, to deal with the other ratifying States concerning questions arising under this compact and the operation of the same within the limits of their respective States. The chairman of such State commission shall be designated by the Governor and shall be the representative of his State on an interstate commission which shall be composed of the representatives so designated by the several States parties to this compact. The Governors of the signatory States shall request the President of the United States to appoint a representative of the Federal Government to the interstate commission. The expenses of the interstate commission shall be shared equally by the States ratifying this compact. The interstate commission shall annually make a report of its activities and shall furnish copies to the Governors of the ratifying States and to the permanent commissions of such States.

SEC. 3. Should any question arise on the part of one or more of the States ratifying this compact, concerning a matter involved in said compact or in any State law adopted in pursuance thereof, then such question shall be brought before the said interstate commission for consideration. Said interstate commission shall make any necessary investigations, shall publish its findings and any recommendations, and shall furnish copies of such findings and recommendations to the State commissions in each State party to this compact.

SEC. 4. If any ratifying State should desire a modification of any provision or provisions of this compact, or a revision of the entire compact, or if for any reason it should become desirable to extend the scope of said compact, the aforesaid interstate commission shall, upon the application of one or more of the ratifying States, and after 30 days' notice to the Governors and State commissions of the other States, proceed to consider such application and the reasons advanced for the proposed modification or revision and shall make such recommendations to the ratifying States concerning the same as may seem fitting and proper. Whenever said modification, revision, or extension is ratified in the manner prescribed in section 6 of this title for the ratification of this original compact and the Congress of the United States has consented thereto, then such modification, revision, or extension shall be in full force and effect in the States ratifying the same.

SEC. 5. Each State party to this compact agrees that it will not withdraw therefrom until it has reported to the interstate commission the reasons for its desire to withdraw. The interstate commission shall, upon receipt of such report, investigate the situation and shall, within 6 months, submit its recommendations. If the State still desires to withdraw from the compact, it shall defer such action for 2 years from the date of the findings of the interstate commission.

SEC. 6. Upon ratification by the legislative act of the requisite number of States as specified in subsequent titles of this compact, and with the consent of the Congress of the United States, this compact shall be in full force and effect in the States ratifying the same. Each State so ratifying shall forthwith enact necessary and suitable legislation to establish and maintain the minimum standards set forth in the following title or titles and shall make provision for the continuing State commission required by section 2 of this title. The appropriate administrative agencies of each State shall thereafter enforce and supervise the operation of the laws relating to this compact and the laws enacted to make the provisions of said compact effective.

SEC. 7. Any State may at any time become a party to this compact by taking the action required by the preceding section of this title to ratify the same, subject to the consent of the Congress of the United States.

SEC. 8. If any part of this compact or the application thereof to any person or circumstance should be held to be contrary to the Constitution of any ratifying State or of the United States, all other separable parts of said compact and the application of such parts to other persons or circumstances shall continue to be in full force and effect.

TITLE III. MINIMUM WAGE

SECTION 1. No employer shall pay a woman, or a minor under 21 years of age, an unfair or oppressive wage.

SEC. 2. The State agency administering the minimum wage law enacted in conformity with this compact shall have authority to investigate the wages of women and minors; to appoint wage boards, upon which employers, employees, and the public shall have equal representation, for the purpose of recommending minimum fair-wage rates for women and minors; and, after a public hearing, to enter directory orders based on the determinations of the wage boards, together with such administrative rulings as are appropriate to make the determinations effective; and may have further authority, without the agency of a wage board, to enter such orders in the case of occupations with less than a specified number of employees.

SEC. 3. The State administrative agency and the wage boards appointed by such agency shall have authority to administer oaths and to require by subpena the attendance and testimony of witnesses and the production of records relative to the wages of women and minors.

SEC. 4. The State administrative agency shall have further authority to inspect to determine compliance with its orders; to publish the names of employers violating a directory order; and, after a directory order has been in effect for a specified period, to make such order mandatory after a public hearing thereon. Such mandatory order shall carry a penalty of fine, imprisonment, or both. Said agency shall have authority to reconvene wage boards or to form new wage boards for the purpose of modifying wage orders. It shall have authority at any time on its own motion to modify administrative regulations after a public hearing thereon.

SEC. 5. The State administrative agency shall have authority to issue special licenses to employees who, by reason of physical or mental condition are incapable of earning the minimum fair-wage rate established for the occupation in which they are employed. Said agency shall have authority to take assignment of wage claims at the request of women or minor employees paid less than the minimum wage to which they are entitled under a mandatory order, and to bring legal action necessary to collect such claims. Such employees shall be authorized, under the statute, to recover by civil action the full amount to which they are entitled under a mandatory fair-wage order.

SEC. 6. Employers subject to the minimum wage law enacted in conformity herewith shall be required to keep specified records, including the names, addresses, occupations, hours, and wages of the women and minors in their employ; to permit the inspection and transcript of such records by the State administrative agency and its authorized representatives; and upon request, to furnish said agency with a sworn statement of the same. Employers shall further be required to post and maintain the notices regarding wage orders issued by the State administrative agency.

SEC. 7. Each minimum wage law so enacted shall contain provisions for appeal to the courts on questions of law by persons aggrieved by the decisions of said agency. Said law shall also contain a provision to the effect that in no case shall wage orders or decrees entered under a previously existing law be nullified until the provisions of the law enacted in conformity herewith have become operative and until new wage orders covering the same occupations have been entered and made effective.

SEC. 8. Each minimum wage law enacted in conformity herewith shall contain a saving clause to the effect that if any provisions of such law or its application be held invalid, the remainder of the law and its application elsewhere shall not be affected thereby.

SEC. 9. Mandatory fair-wage legislation now in effect in any of the signatory States, and such legislation in course of passage in any of such States as is in conformity with the provisions of this compact, is hereby declared to meet the minimum standards required by this compact.

SEC. 10. This compact as applied to minimum wage shall, when ratified by two or more States in accordance with the provisions of section 6 of title II, be in full force and effect in the States so ratifying the same.

In witness whereof the commissioners of the States of Connecticut, Maine, New Hampshire, New York, Rhode Island, and of the Commonwealths of Massachusetts and Pennsylvania have signed this compact in a single original which shall be deposited in the archives of the Department of State of the United States of America at Washington, D.C., and of which a duly certified copy shall be forwarded to the Governor of each of the signatory States.

Done at Concord, N.H., this 29th day of May in the year of our Lord one thousand nine hundred and thirty-four.

CONGRESS' DUTY TO REGULATE THE VALUE OF MONEY—CIRCULAR NO. 11 OF RECONSTRUCTION FINANCE CORPORATION—OUR SEVERE SYSTEM OF BANK EXAMINATIONS—EXPERTS WRITE OUR MONETARY LAWS

Mr. FIESINGER. Mr. Speaker, my views on the question of the value of money—that is to say, the purchasing power of gold—are pretty well known to this House. Gold is the supreme yardstick of measurement. Our circulating currency of every kind and description, including bank deposits, are its alter ego and are measured by it. It measures our debts, credits, commodities, and fixed property, and when it is of high purchasing power, injustice results between debtor and creditor, producer and consumer of property. When gold is of high purchasing power we are in depression; when it is normal and stable we have prosperity. When it is low in purchasing power we have high cost of living.

The trick, therefore, is to harness it so as to keep it normal and stable. Now, that which is normal to a great producing nation like the United States, and I speak especially of prime commodities that come from our farms, mines, and forests, may not be normal to a nation that consumes more of these products than it produces. Generally such nations will strive for a higher purchasing power of gold so as to get these products cheaper. So you will readily see that there is a conflict of interest between producing and consuming nations of prime commodities—one wanting higher prices and the other lower prices. The United States is in a class by itself, producing surpluses of prime commodities, and requiring high prices for these to support its labor and property values. So the trick is not only to harness gold and keep it normal and stable, but to harness it and keep it normal and stable in our own interest as a seller of prime commodities, and not in the interest of those nations that are buyers of prime commodities. Now, knowing what the trick is that we have to accomplish, can the United States accomplish it? Gold is a world commodity, like any other commodity. It is subject to the law of supply and demand. Silver could be used as an equivalent of gold to relieve demand when demand is abnormal as now exists. At its gold value silver would operate as so much more gold.

But we must be careful now not to overplay our cards; the United States must take control of it, and feed it into our monetary reserves in just about the proper amount, or in that amount that will bring back gold to normalcy in our own interest. If we put too much in, the result will be bad, too, because then we shall have that other distressful phenomena, the high cost of living. But should this phenomena appear, it could be corrected by selling silver and buying gold, or selling Government obligations through the Federal Reserve. In brief, the trick is to place silver in our monetary reserves at its world-accepted value, giving it legal-tender qualities for exactly that value, under control as to amount and regulation of the Secretary of the Treasury, keeping gold the standard of value and thereby regulate the purchasing power of gold in the interest of producers of commodities which we have to sell in international markets. If the price of these products are sustained in international markets so that our sellers in international markets get cost, plus a reasonable profit, then the price structure of those commodities in the United States can be maintained, otherwise not. Now, while the foregoing is fundamental, I arose for another purpose. I want to discuss briefly three other subjects that have caused me no little distress.

The first is Circular No. 11 of the Reconstruction Finance Corporation. That circular indicated that the Reconstruction Finance Corporation was going to furnish credit to business men through mortgage companies in existence or to be formed. That circular caused the hopes of thousands of business men in the United States to rise, in that their businesses might be saved after the long drain of the depression, and who normally were able to secure credit at the banks but are now unable to do so. So far as my experience goes, the hopes engendered by Circular 11 were false hopes, and it is most unfortunate that Circular 11 was ever issued at all. I have tried in a number of instances to qualify certain businesses for credit but entirely without results. It is no doubt true that the R.F.C. could not carry all or even a small part of the demands, but that should have been looked into before the unfortunate Circular 11 was given to the public. As far as I have been able to learn, after some inquiry, although I must confess not exhaustive, no business or business man in the State of Ohio has been able to secure credit by the method proposed in Circular 11. Where the fault lies, I do not know.

The situation is very unfortunate, because to my personal knowledge many businesses have expended considerable sums of money to have their books audited and placed in position for making these loans, as well as expending a great deal of effort in order to secure loans, and there is no way to recompense them for these considerable expenses as well as efforts made.

Another subject that distresses me much. What I now say is not said in a critical sense, because I do not know very much about the mechanics of the thing. Every Member of Congress has had more or less contact with the subject, but so far as I know, nothing has been said for the RECORD. It is this: On the one hand, responsible men connected with our Government have cajoled, begged, pleaded, and—yea, perhaps it is not too strong to say, even threatened—bankers generally to be more liberal with their supply of credit. On the other hand, our system of bank examinations has now become so stringent and severe that bankers everywhere shake in their boots for fear they may do the wrong thing, and the result is that many business men, deserving of credit, are unable to secure it, and from what I learn, under this system there is constantly going on a contraction, or at least no expansion worth while, of credit.

Under our system, credit is the lifeblood of commerce and industry, and without it business stagnates and dies. If I am right in what I have said, small business is being crushed and only large business, with ample credit resources, can survive. Do not misunderstand me, I want safe and sound banks. Maybe we have to have the present stringent and severe bank examinations, and, if we do, then the ballyhoo that we all have heard about banks liberalizing credit should be relegated to the discard. One cannot find consistency in the two positions, and I am not finding more fault with Democratic administration than with the Republican administration. Under the last years of the Republican administration, this ballyhoo and stringency were particularly pronounced. It is of the period opposite to these conditions that the Republican Party will, in my view, receive from history one of its severest criticisms for the period between 1920 and 1929.

And that brings me to the third and last point. We hear of the need for credit on every hand, and I hope the so-called "loans to industries bill" that we recently passed will ameliorate this condition. The R.F.C. has had limitations that prevent it from being effective. The banks are fearful of lowering price levels, which fears will persist until we control and stabilize the purchasing power of gold, and make for price levels that admit of reasonable profit to producers of prime commodities. This, to my mind, is a fundamental problem and normal conditions await its solution. Bankers, to be sure, fear bank examiners under such conditions, but this, to my mind, is not a fundamental problem, but is intensified, if it does not entirely grow out of the first problem stated.

Bank examiners should require of bankers under conditions like these—in fact, under any and all conditions—impeccable honesty, and then they should throw into the equation a little smattering of horse sense. I may be wrong in that statement, but I have seen an instance or two where horse sense seemed to be totally lacking. But anyway, something is out of gear somewhere. It may be in the purchasing power of gold; in the Treasury in not putting out enough money; or it may be in the Federal Reserve and private control of credit. It is possible it may be in all of these things. The Congress would do well to take these things all apart and see what makes them tick. In saying this I am not unmindful of possible disturbances, and that there is a large body of our people who do not like disturbances and want things to continue without tampering, believing that things will right themselves. The answer to those so inclined is that every few years we have fallen into these tragic cataclysms, and if there is a remedy, let us find the remedy; for if we should cure the disease now by faith, which I think unlikely, another may come upon us and wreck civilization. The Treasury is advised by so-called "experts"; these experts make our monetary and banking laws.

Under the Constitution, Congress is supposed to write these laws, but from your experience and my experience you know that Congress does not write these laws. The principal monetary and banking laws that we have passed were written in the United States Treasury. What influences, if any, were brought to bear in the writing of these laws? What is the background of the writers of these laws? Are they powerful financiers' and bankers' men or the people's men? The people, I know, did not select them; that is, in the sense that they selected you and me. The Constitution enjoins upon you and me solemn and sacred duties, and we take an oath to discharge those duties. The Constitution enjoins no such duty upon these experts. The laws they write involve the distribution of the joint efforts of all our people. So that if some of your constituents are not getting their share of the joint effort, it may be because we have not done our full duty under the Constitution, but left our duties to the experts, who, so far as I know, have no constiutional responsibility.

WORLD WAR VETERANS' WIDOWS' AND CHILDREN'S PENSION BILL

Mr. LARRABEE. Mr. Speaker, I desire to offer a few comments regarding my thoughts on the bill H.R. 9936, a bill to compensate widows and children of veterans who died while receiving monetary benefits for disabilities directly incurred in military or naval service during the World War.

It has long been my belief that the dependents of veterans of all wars should be treated as nearly equal as is possible by the Federal Government with reference to monetary benefits. I believe this bill will go a long way toward establishing that policy of equal treatment.

But aside from this, the purely humanitarian side of the question is one that we cannot easily overlook.

While I do not have at my command any definite statistics regarding the number of persons to be relieved by this act, and while I have no definite information as to the expected cost of the act, I find from personal observation in my own district that there are a large number of cases which welfare workers would term "serious-need cases."

Widows whose husbands served honorably during the late war are left to fight for a meager living for themselves, and in a great many cases for a family of small children whom they are trying to keep in homes and feed, clothe, and educate.

In a great percentage of the cases of which I am personally aware, and in which this bill will, if passed, prove of great value, these widows are left penniless to struggle for a bare subsistence for themselves and their children. Their husbands, since the war, in too many cases have been unable to earn more than the bare necessities of life, and in passing have left no estate to provide for their families after their death.

Even if employment conditions were normal, it would be exceedingly difficult for most of these widows to find employment. Even if they could secure employment, most of them would doubtless be forced to leave their children at home alone during working hours to shift for themselves.

To a great number of us it is hard to visualize just how much good the small amount of pension this bill intends to provide in individual cases would do. In a great many cases, these small pensions will doubtless mean the difference between cold and hunger, and warmth and food, to widows and their children in every section of the Nation.

True enough, we expect local charity to care for these cases, to see to it that these widows and children are fed and clothed, but it is a far cry from American ideals to permit the widows and children of deceased veterans to become objects of common charity.

I believe sincerely that it will be far better to provide for them through the small pensions this bill intends to create than to say to them in effect, "you must depend on local charity to care for you."

The spirit of self-respect cannot be encouraged by permitting either the widow or her children to become objects of local charity, but the help that may be extended to them through a pension which they have a right to feel their

husband and father earned for them through faithful service to his country can become a blessing in fact.

This bill intends that widows and children of all veterans who served prior to November 12, 1918, in the World War, or who, if his service was in Russia, served prior to April 2, 1920, and who died while receiving benefits for service-connected disabilities of 30 percent or more shall be entitled to a pension as the widow or child of such veteran.

The bill goes further, and intends that widows and children of veterans who had a right to service-connected pension benefits for disabilities of 30 percent or more at the time of his death, even though he may not have been receiving such benefits, shall receive the same pensions as those paid to widows and children of veterans who did draw such monetary benefits.

In these cases a widow will be paid $22 a month; a widow with 1 child, $30 per month, with $4 additional for each additional child. In cases where the veteran leaves no widow but 1 child the child is paid $15 a month, 2 children $22 a month, 3 children $30 per month, equally divided, with $3 per month for each additional child, the total amount to be divided equally.

These benefits are provided in all cases I have described, if the widow was married to the veteran prior to July 3, 1931.

Benefits are payable to children in all such cases under the age of 18 years, unless such child, prior to reaching the age of 18 years, has become incapable of self-support by reason of mental or physical defect.

The bill further provides that in cases where such children are pursuing a course of education and training at a school, college, academy, seminary, technical institute, or university, benefits may be continued until the completion of such training if the period does not exceed the date of the child's twenty-first birthday.

Payments shall be effective from date of enactment of the act, in all cases where death of the veteran occurred prior to the date of enactment of this act, and in all other cases from the date of the application of the widow, child, or children.

I believe this bill to be entirely in line with our efforts to provide social and humanitarian legislation at a time when it is most needed. I am glad to support this bill and hope that it will become law.

THE DAIRY INDUSTRY

Mr. IMHOFF. Mr. Speaker, the Agricultural Adjustment Act passed last May declared that an emergency existed with respect to agriculture, especially with respect to certain products named in the act as basic. One of these products named was milk.

One of the largest industries of the district that I represent in eastern Ohio is that of dairying, and for a short time I wish to discuss the present situation of this important industry in connection with what has been done for it under the provisions of the Farm Act.

The whole intent of the Farm Act is to increase farm purchasing power until it is in similar sound relationship with the purchasing power of other large producing groups. In its application to the dairy industry the direct object was to raise farm purchasing power by raising the price the farmers were paid for milk.

This would seem at first blush a very simple problem, but the last 4 or 5 months have brought out the fact that it is not as simple as it seems. The dairy industry, like all the other branches of agriculture, is after all affected and governed by the economic laws of supply and demand regardless of whatever superficial regulations may be thrown around it. So it is evident that the recovery of this particular industry is interdependent upon the recovery of other industries. For while the supply may be in some measure regulated, the demand will depend upon the purchasing power of the consumers, which purchasing power will be in accordance with the prosperity of other industries.

It has been demonstrated in past depressions that the farmer is the first to feel the effects of a depression and the last to be benefited by the return of prosperity. This is a peculiar situation, and is being demonstrated again in such proportions that it cannot be denied. On this account the administration has put forth the greatest efforts to bring relief to the farmers and the farming industry.

For a moment let us look at the problem involved. The dairy industry is the largest of all the branches of American agriculture. More than one-fourth of the entire farm income in the United States is attributed to dairy cows, including milk production and the value of dairy animals used as beef. For many years the dairy industry enjoyed comparative prosperity. Under the impetus of fair prices and helped by the growing purchasing power of consumers in the cities production of dairy products grew steadily. The annual production of milk increased from 87,000,000,000 pounds in 1924 to nearly 102,000,000,000 pounds in 1932. During the two most severe years of the depression the increase from 1930 to 1932 was 2,000,000,000 pounds. During the years from 1924 to 1932 per capita consumption of milk increased from 768 pounds to 812 pounds. This came about from a growing understanding of the nutritive values of milk, together with an increased ability to buy.

When the depression came the purchasing power of the consumers dropped off drastically, but the cow population did not decline. It has gone on increasing in accordance with a 12-year cycle until it has reached a total of more than 26,000,000 cows, the highest on record. Under the double influence of the collapse of consumer purchasing power and the growth of milk production, the dairy industry in the last 2 years has had to undergo the most severe kind of punishment. The prices of all kinds of dairy products have fallen, and the total cash income of dairy producers declined from $1,847,000,000 in 1929 to $985,000,000 in 1932.

To meet this situation, the Agricultural Adjustment Administration is submitting to the dairy farmers of America an adjustment program for the industry. This program calls for an expenditure of $165,000,000 and is designed to increase dairy farmers' income, to hold production at the low levels of recent months until purchasing power in cities recovers to the extent that consumers can buy larger quantities of milk products at better prices, and to provide benefit payments to farmers who agree to cooperate.

The plan will be tried out for a year, and may be continued a second year at the discretion of the Secretary of Agriculture.

Some of the salient features of the plan are: To provide for a 10-percent reduction below the high-average volume of the 1932–33 period; benefit payments to farmers who cooperate and sign agreements to reduce sales below their 1932–33 average; expenditure of at least $5,000,000 to aid in financing distribution of surplus milk to underfed children in cities; allocation of $5,000,000 for purchase and distribution of healthy cows to needy farmers lacking milk cows; formation of a fund of $5,000,000 to speed up the conquest of bovine tuberculosis.

During the last month 15 regional meetings have been held over the United States in which the plan has been presented. It is to be hoped that out of this plan may be evolved a situation that will put the dairy industry back on its feet and give the dairy farmer a fair return for time and labor. During the last few years no branch of industry has been hit harder than the dairy farmer. Especially is this true in my district in Ohio.

As I see it, one of the biggest problems to be solved in connection with the dairy industry is to secure to the producer a fair share of the market price of milk. In my district milk retails for 10 cents to 12 cents per quart and in most cases the farmers—the producers—are receiving less than 4 cents per quart. This situation is nothing short of a crime.

It appears to me that any plan that will be of any great benefit to the dairy farmer must have incorporated somewhere in it some kind of marketing agreements that will insure to the producer his just share of the spoils.

It has been said a million times that all wealth comes from the soil, and it is the opinion of many that no general prosperity can come until it comes to those who till the soil and produce the wealth for the rest of the world. The farmer is the salt of the earth. He is law-abiding and God-fearing. No class of men who toil and earn their bread by the sweat of their brow puts in the long number of hours per day as do the men who turn out the products of agriculture, and no class of labor receives less for its toil.

In my humble opinion in this great crisis of our national life no industry and no class of people deserve more in the way of aid at the hands of the National Government than the farmers of America. The farmers of America feed not only the teeming millions of our cities, but other hundreds of millions among the population of the world. Were it not for them our country would be in the midst of a famine within 30 days. Without them we would be lost.

The original founders of our country were farmers. The mighty millions that now make up the population of our country have in one form or other sprung from the soil. I am proud of the fact that I was born and reared on a farm in one of the finest, if not the finest, States of all the States of the Union—that of the State of Ohio. And as long as I have a voice and a vote in the legislative halls of my country I shall use them in such manner as to pay respects and my obligations to the American farmers—the backbone of the greatest country in the world.

MY SERVICE IN THE HOUSE OF REPRESENTATIVES

Mr. McCANDLESS. Mr. Speaker, I wish to take this means of expressing, on behalf of the people of the Territory of Hawaii, and for myself, our appreciation of the treatment you have accorded the Territory during the session now drawing to a close.

Hawaii, represented as the Territory is by a Delegate in Congress without a vote, must depend for fair treatment at the hands of Congress on the honor, understanding, and sense of justice of the Members of this House and the Senate. It is gratifying to be able to point out to the people of Hawaii that my fellow Members of this Congress have included the Territory of Hawaii in every major piece of national legislation, and that Hawaii has reaped definite benefits from all of these measures with one exception.

That exception was the Jones-Costigan sugar bill, in which, to speak frankly, the Territory of Hawaii was treated shamefully. In passing that bill you forgot that Hawaii is an integral part of the United States, forgot that we pay our full share toward the upkeep of the Federal Government, even forgot the solemn pledge which this Nation made to the people of the Republic of Hawaii when that Republic voluntarily became annexed to the United States as an integral part thereof. But I realize that the sugar control bill was passed under stress of circumstances that were far from normal, and that corrections of errors in that as well as other legislation will undoubtedly have to be considered by the next Congress. I hope, when that time comes, that the wrong done to the Territory of Hawaii in the sugar bill will be righted.

However, with that exception, the rightful status of the Territory of Hawaii as an integral part of the United States has been recognized by this Congress. I am exceedingly pleased that in the vast majority of instances you have realized our rights. It is often one thing to be entitled to certain rights, and quite another thing to get them.

Through your recognition of our rightful place in this sisterhood of States, the people of Hawaii are participating in the new deal, and they are proud to have this opportunity to once again prove themselves worthy of their position under the American flag.

In closing let me say that I am proud to have been a Member of this Congress, proud to have had the opportunity of meeting and working with my fellow Members here. I sincerely hope that we will all meet here again in January of the coming year, and that together in the Seventy-fourth Congress we will have the opportunity to complete the many tasks which this Congress began.

AN ADEQUATE HIGHWAY PROGRAM INCLUDING PROVISION FOR A NATIONAL PARKWAY PROPOSAL

Mr. CARTWRIGHT. Mr. Speaker, the President has stressed the importance of moving up from the emergency basis to a permanent basis for the National Recovery program and has invited the assistance of the best minds in formulating such a program as the basis for further effort.

Fortunately Congress has availed itself of the services of a group of national voluntary associations, which in cooperation with the American Association of State Highway Officials and the United States Bureau of Public Roads has made a study of highway transport and has kept the public informed on all phases of the good-roads movement. Chief among these associations have been the National Highways Association, Lee Highway Association, the American Automobile Association, the National Automobile Chambers of Commerce, the American Civic Association, and the American Road Builders' Association. The educational campaign, Nation-wide in scope, conducted by these voluntary associations aroused and crystallized public sentiment, making possible the Recovery Act of June 1933 and the continuance of the highway program provided by the recent action of Congress under which almost a billion dollars will be expended on public works, which while they provide employment, increase industrial output, carloadings, bank clearings, retail sales, and the volume of business generally, are not the product of feverish haste, but the well-considered, formulated, and checked-up plans of scientifically trained men, engineers, executives, and administrators, thoroughly familiar with the subjects involved in the operation.

As Chairman of the Roads Committee of the House I desire to place on record our appreciation of the most helpful services of the voluntary associations and Government agencies whose services assisted us so much on the preparation of the road legislation just enacted. I wish also to place in the record a recent letter from President Roosevelt in which he also expresses appreciation of these services.

THE WHITE HOUSE,
Washington, April 24, 1934.

Mr. ARTHUR CLARENDON SMITH,
President Lee Highway Association, Washington, D.C.

MY DEAR MR. SMITH: I have read with interest the anniversary edition of the Fauquier Democrat, celebrating the completion of 14 years of the activities of Lee Highway Association in what President Coolidge, in a message to Congress, characterized as "the great Lee Highway undertaking."

I wish to add my tribute to those of Presidents Wilson, Harding, Coolidge, and Hoover to the highly patriotic service of the general director of your association, Dr. Samuel M. Johnson, national apostle of good roads.

Dr. Johnson helped to secure the funds for emergency public works and is one of the most active advocates of continuing the program.

His plan to secure a 200-foot right-of-way from San Diego, Calif., to the Nation's Capital, and to make it as outstanding among highways as Lee was among men, appeals to the pride and patriotism of the entire Nation.

Your association is deserving of strong support in such a monumental undertaking.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Desiring to expedite an adequate highway program, I introduced H.R. 9896, providing for a national parkway connecting the national parks. The reasons for its enactment into law are mainly the reasons why the Public Works Administration is now expending $16,000,000 of P.W.A. money on the Skyline Drive connecting the Shenandoah with the Great Smoky National Park. The Everglades National Park bill has just been approved and there are good reasons why the national parkway connecting the Shenandoah and the Great Smoky should be extended southeast to the Everglades and northeast to Acadia, 13 instead of only 3 of the States getting the benefit of our first real national highway. The greatest volume of interstate highway travel is between New England, the industrial America lying north of the Potomac on one hand, and Florida and other southern recreational areas on the other; and the eastern national parkway traversing almost all of the Thirteen Original States of the Republic would be as great a contribution to

the national unity, security, and welfare as could possibly be made.

The main development of our National parks and other recreational areas has been in the West, and it was due to their demonstration of their value that the eastern chain has been established. The policy of connecting the National parks by a highway also originated in the West and much of the National park-to-park highway is now paved, making possible a circular trip including Grand Canyon, Yosemite, Yellowstone, and other masterpieces of the Creator.

What is more important in these times of transition, of change, of unrest, than to keep the fires of patriotism burning?

Is there anything that would do more to arouse patriotism than to induce the people to fare forth, to tour the National domain? In order to love our country, we must know it. To know it, we must see it, not just our neighborhood, our town, our State, our section, but the whole of it, industrial, agricultural, East, West, North, South, mountains, plains, seacoast. If we are to see the United States, we can see it by railway, but the way to see the United States, to take in the latitudes, its longitudes, its ever-varying landscapes, its richness, its beauty, its grandeur, is on rubber tires.

Now, here we have an esatern parkway connecting the chain of eastern parks from Maine to Florida. We have a national park-to-park highway connecting the chain of western parks. The bill proposes to connect them so as to constitute an elongated national park, owned like all the national parks, by the Government. Two traffic lanes, each for travel going in one direction, a planting strip with shrubbery between, eliminating the glare of headlights; and with machines capable of 100 miles an hour, the distance between parks could be covered quickly, making possible slow travel through highly scenic regions. The 200-foot wide right-of-way could be all landscaped by Civilian Conservation Camps and the activities of garden clubs and civic and patriotic organizations. This right-of-way is to be sectionized as are the railways, with a family living on a subsistence farm and caring for each section. The construction and maintenance of the roadway, and the landscaping and care of the right-of-way would contribute directly to the welfare of the Nation in providing permanent employment. It should be a part of the national set-up for recovery, not primarily as an emergency measure, but as an important part of a carefully worked out plan of national development.

When Congress reconvenes I expect to reintroduce the national parkway bill, with such modifications as the best-informed minds may in the meantime suggest, and I hope for its approval as a part of an adequate highway program which will have the support on a nonpartisan basis of all who wish to get the most out of the motor age. We are not getting the most when a facility in use for the movement of men and goods from place to place which is about 100-percent efficient in itself yields to the user only about 40 percent of its efficiency because of a noneconomic track.

When the railway age began, the order of procedure was first to construct a special track and then, and not till then, was the rolling stock purchased and put in commission.

In the motor age we reversed the process. We bought our highway rolling stock and put it in commission before we constructed the special track required for economic operation. Results in the 4,100 counties of our country, over 100,000,000 rubber-tired wheels are revolving night and day, year in and year out, and with every revolution on over 2,000,000 of our 3,000,000 miles of roads show we are throwing off dollars, actual dollars, honest-to-goodness cash.

If the railways undertook to operate their rolling stock on as unfit and noneconomic a track as our highway rolling stock is now being operated on, every one of them would go into the hands of a receiver in less than 6 months. The actual loss due to this wastage, a wastage which is preventable, is far greater than the cost involved in paving the United States.

Therefore I and my associates on the Roads Committee did what we could toward recovery by the road bill just passed, and when we reconvene next January my constituents at least may know in advance what to expect if I am to return and continue as chairman of the committee.

I am for an adequate highway program to be formulated through the assistance of those who by pure knowledge gained by training, observation, and experience are best fitted to formulate the plan.

I am for an adequate highway program. No program is adequate which does not include:

First. Completion of the Federal-aid highway system.

Second. Completion of the State highway system.

Third. Completion of a primary county highway system selected as was the Federal-aid system on the basis of a maximum of service at a minimum of cost; namely, the most important roads, called "the farm-and-market roads", for which we made provision in the road bill just passed.

Fourth. Roads in cities and their regional area eliminating congestion and hazards.

Fifth. The construction program not to be delayed by lack of funds but to be financed and constructed as rapidly as they can be economically constructed.

THE MISSING LINK IN EDUCATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, first, I want to ask you what you consider the missing link in our educational system. I believe it is a lack of instruction in managing our money. Why do most of the squabbles in families take place? They are about money. Similarly in our great national problems invariably the causes of the difficulties are financial and budgetary.

In the past our efforts have been focussed upon the training of the youth to fit them to enter business life—to stand alone, work and achieve independence. That has always been the goal. But what is the ability to earn worth, if one has not the knowledge of how to spend? The man of today, earning a small salary, spending it judiciously, and saving a portion, is far better off then the high-salaried worker who throws his money away simply because he has not been taught how to get the most out of it. The former is happier, more contented, and a better citizen—the latter, usually overcome by money-troubles, bickers and quarrels at home.

In the schools of Brookline, Mass., economic education has been adapted to the age and understanding of all its pupils. Beginning with the A B C's of individual money management, the subject has been developed logically from the kindergarten through high school, so that no student need enter upon the financial responsibilities of maturity without a knowledge of how to get and keep control of personal finances. In other words, money management has been reduced to a simple science, and economic education pertaining to municipal, national, and world affairs is built around actual personal experience in the acquirement and use of money. That experience leads to establishment of the habit of living within income and distributing income proportionately, regardless of its size. Therein lies the secret of financial independence and contentment.

The plan is so simple that it can be used by everyone. It is suitable for every member of the family. It is so adaptable that it can be adjusted to meet the requirements of every purse simply by changing the proportions of each item. Under the three simple words of this money-management plan—save, give, and have—all the uses of money are being classified. Distribution among these three uses means that the children are learning to manage money.

The value of such a course of education cannot be underestimated. Results will depend only upon the amount of attention paid to it by the faculty. Just as a rubber ball rebounds in proportion to the speed with which it is thrown, so will such a course in money management rebound in results not only to the child but to the entire family.

Personal money management does not mean pinching pennies; it does not mean avarice—to the contrary, it teaches spending—wise spending. Unfortunately, and perhaps due to the rapid growth of our great country, the education of our children along these lines has been sadly

neglected. We Americans have acquired a reputation of being profligate spenders. The old picture of the shrewd Yankee, who always received the better of the trade, has faded during the last generation.

I am sure that you older people who are listening recall your youth, when as a boy or girl your grandmother sent you on an errand to the store for groceries. Do you remember when you returned with your bundles how carefully the wrappings and string were saved? Do you recall the top drawer in the cupboard where the balls of string—accumulated from countless former errands—were kept? You may even remember how one day you told your grandmother you couldn't see the sense in saving that old piece of string—that the task of untieing the knots was not worth the effort. Then the kindly old soul dropped her work, sat down, and explained to you that it was not a question of saving that particular piece of string, but a case of forming saving habits which would stand you in good stead in later life.

We must bring out and cultivate that inherent trait which is an innate part of the make-up of every American—the urge to be saving, prudent, and self-sustaining. In our splendidly equipped schools—unquestionably the finest system in the world—we can and should adopt such a course of training. You and I remember that formerly the young students who could afford it went abroad to complete their education. Today our educational standards have advanced to a point where the other nations admit the superiority of our institutions by sending their students here. But is there not a missing link in the chain? We pay much attention to courses in government, in manual training and preparation for the business career.

Why should we not pay particular attention to the child's training in handling the money which his education prepares him to earn? Should he not be taught to so distribute his money that it will do the greatest amount of work for him? Then, when he reaches that point in life where he takes a wife, his training and her education in budgeting and spending will do more to help smooth over the rough places than anything you may name. It is generally admitted that injudicious spending and wastefulness are the cause of much domestic unhappiness. Family rows are most apt to take place as a result of money matters. A sulky wife, a tired, harassed husband, because his wife and children do not realize that he cannot spend a large amount for some particular thing they have set their hearts upon. Proportionate spending will correct this. The family that has received training along these lines knows its limitations. It is prepared for eventualities and has a clear understanding of how to handle finances. While the average business man and head of the family will conscientiously protect his family by insurance, how often do you, Mr. Business Man or Business Woman, neglect that all-important duty of training the beneficiaries in the judicious handling of the bequest?

Never in the history of the country have the American people been so forcibly confronted with the stern, stark necessity for intelligent economy and strict checking up of resources as they have been during the past 5 years. One of the prime features of our efforts to return to normal business life should be the education of our young people along the lines of money management and budget control.

This is not a new idea. It has been tried, and successfully, in the Brookline schools. The old adage that "the proof of the pudding is in the eating" has been borne out by the results. Not only are the pupils enthusiastic, but the teachers who are applying the scientific principles of money management personally to their own affairs are, in effect, "raising" their own salaries, for they are discovering new ways to use the incomes they have to best advantage.

The taxpayers' money is being saved, for every child is made an ally of the taxpayer when he is learning to conserve those things for which tax money is used. The school committee of Brookline recently commended publicly the teachers and children of Brookline for the substantial savings that have been effected through their care during the past year.

The children are being impressed with the truth that it is impossible to get something for nothing, because somebody always pays. To trace back to who pays in each case becomes an interesting problem. In thinking it through, we find that everyone in our great United States is vitally affected. Let us work to make not only the children intelligent consumers but also the adults by teaching a simple form of money management. This will supply the missing link in our education.

THE NAZI INVESTIGATION

Mr. CARPENTER of Nebraska. Mr. Speaker, there has been a great deal of discussion on the floor of the House relative to the Nazi investigation which was instigated by Representative Dickstein of New York, and which, in my judgment, will tend to create racial prejudice to a greater degree than that evinced at the present time. I understand that this is the thing to which Mr. Dickstein is objecting and the eradication of which has been made the purpose of the investigation.

The number of people of German extraction whom I represent is immaterial to the discussion of the propriety of the investigation. I am concerned with the principles behind the obvious facts. I have the highest respect for the American citizens of German extraction, not only of my State of Nebraska but of the Nation. At every point in the history of our great country where the welfare of the Nation and the Government has been at stake, the American citizens of German extraction came to the front and were among the first to offer their strength and their lives in defense of our country—even in cases where it meant brother fighting against brother.

I believe that it is no concern of ours as to the nature of the Government of Germany. I must confess that I have a great deal of admiration for the dictatorship of Mr. Hitler, in that he has apparently been able to consolidate the German people into a united front. I have enough confidence in the self-respect and intelligence of the people of Germany to believe that if the nature of his government were entirely insupportable they would repudiate him. His methods have been drastic but thorough, and he has succeeded. It is unfortunate that some racial prejudice has been evinced, but I cannot believe that it is the province of the American Government to dictate the policies of a law-abiding and self-governing nation.

I believe that the facts put forward by the Chairman of the Committee on Accounts, Mr. WARREN, indicate fully that the investigation is merely another junket and that nothing will come of it except pure political propaganda.

I am inserting at this point a letter which I have received from the United German Societies of New York which adequately displays the sentiment of the citizens of this country of German extraction:

Representative TERRY CARPENTER,
Scottsbluff, Nebr.

HONORABLE SIR: The times we are living in call for a unification of all constructive forces of our Nation in order to bring about an ascension from the depths of depression. The United German Societies of Greater New York will counteract all and every attempt which would tend to retard such ascension, and they are anxious to express to you as one of the duly elected Representatives of the American people their readiness to oppose all movements which are destructive to the welfare of our people and to our relations with the other great nations of the world.

Respectfully yours,
UNITED GERMAN SOCIETIES OF GREATER NEW YORK, INC.,
C. K. FROEHLICH, *President.*

I also wish to call to your attention at this time to some of the achievements in the world of science, invention, political and economic theory, and art which have been contributed to our civilization by the German people. Such data proves that we are not dealing with a group of monsters or cruel oppressors but with a nation which has contributed a great mass of material to the building of the world of thought and peaceful pursuits.

May I first list those of the German Nation who have contributed to the scientific achievements of our civilization:

Abbe, Ernst: Physicist. Invented the refractometer and made many improvements in microscopic and photographic lenses.

Behring, von Emil: Founder of immunology as a science. Blood-serus therapy. Practical application of this epoch-making discovery in cases of diphtheria and lockjaw. Was the first to demonstrate diphtheria antitoxin serum.

Benz, Friedrick Karl: Built the first automobile in 1886. Constructed the first 2-stroke engine model and high-speed, 4-stroke engine. Invented the electrical battery ignition-spark induction. Steering gear.

Diesel, Rudolph: Invented the Diesel oil engine (type of internal combustion).

Fraunhofer, von Joseph: Known for his work on the Solar-spectrum (Fraunhofer's lines). Manufacturer of achromatic lenses and various optical instruments.

Gauss, Karl Friedrich: Astronomist. Standard work on the theory of numbers. Magnetic and electric researches. Greatest master of modern mathematical analysis. Earth magnetism. Dioptic researches.

Haeckel, Ernst: Most famous field naturalist. Doctrine of organic evolution. Fundamental biogenetic laws.

Helmholtz, von H. L. D.: Was the founder of the law of the conservation of energy. His work, On the Conservation of Force, was the epoch-making treatise of the century. Inventor of the ophtalmoscope. Most important contributions to physiological optics, acoustics, meterological physics, and theories of electricity.

Herwig, Oskar: Proved the fact that the union of an egg of most animals and plants with cells derived from the body of a male organism is the essential characteristic of fertilization. Laws of heredity.

Hoffman, von A. W.: Discovered benzine in coal tar. Production of synthetic dyes (indigo).

Keppler, Johannes: Established the three cardinal principles of modern astronomy—Keppler's laws. Founder of physical astronomy. Inventor of the astronomical telescope.

Kirchhoff, Gustav Robert: Known for his Principles of Dynamics. Thermal conductivity. Resistance bridge. Equations dealing with the flow of electricity in conductors. Researches on the development of spectrum analysis.

Koch, Robert: The greatest bacteriologist. Was the first to isolate the germs in pure culture for identification. Discovered bacteria of anthrax, tuberculosis, and cholera. Did most important research on bubonic plague, malaria, rinderpest, and so forth.

Korn, Artur: Invented the telegraphic pictures.

Kraepelin: Known as the father of psychiatry (disorders and diseases of the mind).

Liebig, von Justus: Constitution and analysis of organic bodies. Basic rules for agricultural chemistry. Infant food. Organic chemistry and its practical value for physiology and pathology. Research on benzaldehyde, composition of the fulminates, and ethyl theory.

Mayer, Robert: Was the propounder of the first law of thermodynamics. He was called the "Galilei of the nineteenth century."

Mendel, G. J.: Known for his theory relating to the distributive mechanism of organic inheritance. Principles of heredity. Mendelism.

Ohm, Georg Simon: Known for his Ohm's law. Researches on current electricity.

Pirquet, von K. J. V.: Discovered serum diseases. Treatment of tuberculosis with tuberculin.

Roemer, Ole: Discovered the finite velocity of light. Invented the equatorial telescope.

Roentgen, von K. O.: Was the discoverer of the X-rays (roentgen rays). Researches in various branches of physics, including elasticity, capillarity, electromagnetic rotation of polarized light, and so forth.

Siemens, Carl Wilhelm and Werner: Known for their Siemens steel. Invention and development of the dynamo-machine, which converts mechanical into electrical energy. Multiple-coil armature. Construction of the trans-Atlantic cable. Turbine. Siemens electrical furnace.

Virchow, von Rudolf: Founded cellular pathology. Important contributions to morbid anatomy, histology, and anthropology.

Weber, Wilhelm Eduard: Invented the electromagnetic telegraph. Weber's law. Researches in the field of magnetism. Mirrow galvanometer. Treatise on waves.

Woehler, Friedrich: Known for his synthesis of the natural product urea. Fundamental investigation in the field of organic and inorganic chemistry.

Zeiss, Carl; known for his optical works. Apochromatic lenses. Microscopes. Planetarium.

Zeppelin, Graf Ferdinand; invented and constructed the first dirigible airship. Important contributions in the field of aeronautics.

German scientists have contributed largely to the field of the isolation of certain germs. Klebs-Loeffler isolated the deadly bac. diphtheriac; Pfeiffer isolated the germs of influenza, a discovery which has contributed greatly to the control of that disease. German scientists have also isolated the germs for leprosy, lockjaw, typhus, pneumonia, cholera, gangrene, Vincent's angina, and other deadly diseases.

In the field of music we have some of the greatest musicians the world has ever known: Bach, Beethoven, Brahms, Haendel, Haydn, Liszt, Mozart, Reger, Schubert, Schumann, Wagner, and many others. The arts of music and sculpture are well represented by Cornelius, Duerer, Grunewald, Holbein, Donner, Hildebrandt, Folbe, Rauch, and Stuch.

German philosophers have led the world of philosophic thought in modern times. Such men as Goethe, Hauptmann, Kant, Nietzsche, Schopenhauer are authorities for various schools and have been followed by thinkers of every nation.

It is estimated that today approximately 25 percent of our population is of German descent, origin, and blood infusion. The assimilation of German immigrants was accelerated by kinship with the early leading formative elements of the Nation, but distribution of the German population over the United States, and by the extensive settlement of German colonists on the frontier and in western territory, where the molding forces, typically American, were the most influential.

They sought to adapt those elements of German life which were best fitted to harmonize, as contributions, with the typically American mold of life.

In 1931 there were approximately 5,907,893 German immigrants in this country. This was a far larger proportion than that of any other foreign nation. They have become assimilated into the life of America and have made contributions beyond value.

I am quoting some statistics and historical data in the following paragraphs which may prove enlightening:

IMMIGRATION ACCORDING TO RACES

The foregoing table already shows the shift in the immigration from the countries of northern Europe to those of southern Europe. This shift becomes more striking in an arrangement made by Andre Siegfried:

1. Nordic group: Great Britain, Germany, France, Belgium, Holland, Switzerland, Scandinavia.

2. Romanic-Slavonic group: Austria, Hungary, Russia (including Finland and Poland), the Balkan and Mediterranean countries, Portugal.

	Nordic group	Romanic-Slavonic group
	Percent	*Percent*
1860-70	98.4	1.6
1870-80	91.6	8.4
1880-90	80.2	19.8
1890-1900	48.4	51.6
1900-1910	23.3	76.7
1910-20	22.8	77.2

Native country of the foreign-born elements in the United States or their parents

[Census of 1930]

Native country	Foreign born	Foreign parentage	Total
All nationalities, total	13,366,407	25,361,186	38,727,593
Germany	1,608,814	5,264,289	6,873,103
Italy	1,790,422	2,756,453	4,546,875
Great Britain and North Ireland	1,402,032	2,952,486	4,354,519
Poland	1,268,583	2,073,615	3,342,198
Canada	1,278,421	2,058,924	3,337,345
Irish Free State	744,800	2,341,712	3,086,532
Russia	1,153,624	1,516,214	2,669,838
Norway, Swedon, Denmark	1,122,576	2,069,367	3,191,943
Czechoslovakia	491,638	890,441	1,382,079
Germany, approximate percent	12	20	17.7

Of great interest are the thorough statistics published by Prof. Albert Bernhard Faust in his book, The German Element in the U.S.A., regarding the number of those of German blood residing in the United States of America around 1900.

Professor Faust in his statistics comprised the years from 1790 to 1900, making three subdivisions, namely:

First. The number (for 1900) of those residing in the United States of America born in Germany or United States of America of German parentage.

Second. The number (for 1900) of descendants of the 600,000 Germans, residing in the United States of America in 1790.

Third. The number (for 1900) of the descendants of the Germans immigrated between 1790 and 1900, as far as they do not fall under the above headings.

Professor Faust thus arrives at the following figures:

[Figures are given in thousands]

Subdivisions	1	2	3	Total, 1900	Total, 1910
German element	8,700	6,330	3,370	18,400	21,600
English element	3,250	15,850	1,300	20,400	24,750
Irish-Scotch element	5,500	6,300	2,100	13,900	15,250

FREDERICK THE GREAT AND AMERICA

On April 7, 1777, Frederick writes:

* * * If it (the English Crown) would give me all the millions possible, I would not furnish it two small files of my troops to serve against the Colonies.

Frederick did not permit the soldiers, sold by the Dukes of Anspach and Hessen to England, to march through his territory. Answering a suggestion to assist England, Frederick writes as follows:

Never! Unlike other German rulers, I cannot be bought.

He wrote regarding the Duke of Hessen:

Do not attribute his education to me. Were he a graduate of my school he would never have sold his subjects to the English as they drive cattle to the shambles.

In January 1778 Frederick informed one of the American agents through his ambassador in Paris as follows:

The King desires that your generous efforts may be crowned with complete success. He will not hesitate to recognize your independence when France, which is more directly interested in the event of the contest shall have given the example.

THE GERMANS IN THE REVOLUTION, 1776–83

Peter Muehlenberg, pastor of the Lutheran Church in Woodstock, Va., delivered in January 1776 his famous sermon:

There was a time for preaching and praying, but also a time for battle and such time has now arrived.

He immediately organized a regiment of 400 volunteers. February 21, 1777, Congress raised him to the rank of brigadier general. Battles of Brandywine, Germantown, Yorktown, Pa. Friend of Patrick Henry and George Washington. Representing the State of Pennsylvania, his marble statue adorns the Hall of Fame in the Capitol at Washington, D.C.

Brothers: Frederick August Muehlenberg, first Speaker of the House of Representatives. Four times elected to Congress; also Henry Ernest Muehlenberg.

Nicholas Herckheimer, brigadier general, with his military aides: Hanjost Herckheimer, Jacob Klock, Frederick Fisher, and 800 German volunteers fought the battle of Oriskany. Nicholas was fatally wounded during the battle and died soon thereafter. General Washington, hearing of his departure, said:

It was Herckheimer who first reversed the gloomy scene of the northern campaign.

John Kalb (Baron von Kalb) served 3 years as major general under Washington. He died from wounds which he suffered in the battle of Camden. His statue is in front of the Naval Academy at Annapolis.

Christopher Ludwig, May 1777, appointed by Congress superintendent of bakers and director of baking for the entire Army (at a salary of $75 a month). George Washington always referred to Ludwig as his "honest friend."

Friedrich Heinrich, Baron von Weissenfels, officer in the British Army at the beginning of the Revolution; served under Washington.

David Aiegler, Johann Paul Schott, H. E. Lutterloh, Molly Pitcher, Sebastian Baumann, and hundreds of others.

Washington's personal bodyguard was largely made up of Germans under the command of Maj. Barth. von Heer. Twelve men of this troop had the honor of escorting General Washington to his home at Mount Vernon at the close of the Revolution.

Steuben, America's Scharnhorst. It would exceed the limits of this pamphlet—if it were not superfluous—here to register the deeds and accomplishments of the drillmaster of the American Army. Suffice it to emphasize the following facts:

December 1, 1777, arrival at Portsmouth, N.H. Letter to Congress in which we find the following words:

I came here from the remotest end of Germany at my own expense and have given up honorable and lucrative rank. I have made no condition with your deputies in France, nor shall I make any with you. My own ambition is to serve you as a volunteer, to deserve the confidence of your general in chief and to follow him in his operations, as I have done during the seven campaigns with the King of Prussia. * * * I should willingly purchase at the expense of my blood the honor of having my name enrolled among those of the defenders of your liberty.

February 26, 1778, arrival at Valley Forge. May 5 he was appointed by Congress to the rank of inspector general.

He published for the American Army a manual known as "Steuben's Regulations" or "the Blue Book." Commanding officer of the American troops at the surrender of Yorktown, October 17, 1781. In 1782, the officers of the American Army at Verplanck's Point adopted a resolution, which read:

We believe that Baron Steuben has made us soldiers and that he is capable of forming the whole world into a solid column and displaying it from the center. We believe in his blue book.

Steuben was one of the original members of the Society of the Cincinnati, consisting of officers of the American Army. In 1790 Congress voted him a yearly pension of $2,500, and the Legislature of New York made him a gift of 16,000 acres of land in the neighborhood of Utica.

THE GERMANS IN THE CIVIL WAR

Ranking officers in the Union Army: Franz Siegel, Adolf von Steinwehr, Julius Stahel, Peter Osterhaus, Gottfried Weitzel, August Kautz, Henrich Bohlen, Leopold von Gilsa, Carl Schurz, and others.

Of 500 Germans, who were raised to the rank of a major, 96 lost their lives; 216,000 Germans volunteered in the Union Army; 300,000 more were of German descent (Wilhelm Kaufman: The Germans in the Civil War.)

General Lee, the commanding officer of the Confederate Army, said:

Give me Prussian discipline and Prussian formation for my troops and you would see quite different results.

While England and France placed an embargo on the sale of Union bonds, while England assisted the South

materially, Germany purchased between five hundred and six hundred million dollars of Union bonds.

During a debate in the United States Senate in 1870 regarding the motion to supply France with arms against Germany, Senator Pomeroy, of Kansas, said as follows (CONGRESSIONAL RECORD, 41st Cong., 3d sess., pt. II, p. 954):

> They (the Germans) sent us men; they recruited our armies with men; they helped to save the life of this Nation. Though the French were our ancient allies, the Germans have been our modern allies.

Senator Charles Sumner (p. 956):

> We owe infinitely to Germany.

CARL SCHURZ

Came to the United States in 1853. In 1857 already candidate for the office of Vice Governor in Wisconsin. Eighteen hundred and fifty-eight one of the most ardent stump speakers for Lincoln against Douglas. In 1860 at the Republican Convention in Chicago he helped Lincoln to obtain the nomination. His eloquence and his aggressiveness played no little part in Lincoln's final victory in the ensuing campaign. American Ambassador to Madrid. Major general in the Union Army. United States Senator from Missouri (1869). Secretary of the Interior under President Hayes (1877). Civil-service reform. Editor New York Evening Post, Harper's Weekly. His biography of Henry Clay. Died in New York on May 14, 1906. At a memorial service on November 26, 1906, at Carnegie Hall in New York, ex-President Cleveland delivered the principal address.

GERMANS IN AMERICA

Agriculture: The Census of 1900 shows that 522,252 farmers of German parentage owned farm homes against 183,157 British, 176,968 Irish, and 174,694 Scandinavian.

Technical: John A. Roebling (Niagara Bridge, East River Bridge, connecting New York and Brooklyn).

Gustav Lidenthal (Hell Gate Bridge across the East River, N.Y.).

Albert Fink (Ohio River Bridge).

Charles Steinmetz (Edison's right hand).

Politics: April 18, 1788, German Quakers in Germantown voiced the first protest against human slavery.

Fr. A. Muehlenberg, first speaker of the House of Representatives, 1789–91, 1793–95.

Gustav Kierner, Lieutenant-Governor of Illinois, 1852–56; pall bearer at Lincoln's funeral.

Franz Lieber, professor of history and political economy at South Carolina College, later at Columbia University.

Music: First orchestra in the United States under Gottlieb Graupner at Boston. Father of the American Orchestra. One of the founders of the New York Philharmonic Society; Henry C. Timm, noted conductors of the orchestra: Leopold and Walter Damrosch, Anton Seidl, Theodore Thomas, Adolp Neuendorff, and others.

Painting: Emanuel Leutze—Washington Crossing the Delaware—in the New York Metropolitan Museum of Art. Westward—in the Capitol at Washington.

Albert Bierstadt—Storm in the Rockies; The Yosemite Valley.

Thomas Nast: One of the greatest political cartoonists. Of him no one less than Lincoln said, "He has been our best recruiting sergeant." With his cartoons he gave the tiger to Tammany and the elephant to the Republican Party.

Journalism: Christoph Sauer—the father of German-American journalism. The first to print the Bible in a foreign tongue on American soil.

Peter Zenger: Founded the first independent political newspapers in New York; paved the way for liberty of the press in the United States.

May I say in closing that I have not set forth this glorification of the German people to place them above the people of other nations as citizens of this Nation. It is my belief that all components of the "melting pot" are equally important and desirable. The Jewish race has made equally as valuable contributions to science, art, music as well as daily living, and are as equally valuable as citizens of this country. I have merely outlined in this address the attributes of our German-American citizens and the contributions of the German nation to refute the arguments of the instigators of this investigation to the effect that we are dealing with a government and a group of people who are inhumanly cruel, who are seeking to undermine our form of government, and who take delight in persecuting an innocent people for some nefarious purpose.

It is my firm belief and contention that the investigation will accomplish nothing but the stirring up of old fires which should be allowed to smoulder and die and turn to ashes. It is making political propaganda of an issue which does not concern us, but which will only serve as a wedge in this country to drive the components of our citizenry further apart. Unfortunate incidents have occurred abroad; but this is the Congress of the United States of America, and we should be concerned with the problems at home, of which there are an abundance. Our money should be spent toward a solution of our difficulties and toward helping our citizens—Germans, Irishmen, Englishmen, whether Jewish or gentile.

I believe that the results of this investigation will bear out my statements in the future.

"WHITHER BOUND"

Mr. DITTER. Mr. Speaker, on the 26th of January 1830, Daniel Webster delivered in the United States Senate his memorable speech in reply to Mr. Hayne of South Carolina. In commencing his oration he made use of an allusion to a mariner tossed on a turbulent sea and desiring to be assured of his position—

> When the mariner has been tossed for many days in thick weather and on an unknown sea he naturally avails himself of the first pause in the storm, the earliest glance of the sun, to take his latitude and ascertain how far the elements have driven him from his true course.

I am persuaded, Mr. Speaker, that in the closing days of this Seventy-third Congress we might with profit follow the suggestion of the distinguished Senator from Massachusetts to ascertain our position and determine to what extent we have been driven, not by the elements but by the excuse of emergency, from the truly American course of democracy. It must, of course, be admitted that we have weathered a severe storm, and with equal candor it should be conceded that there is promise of fairer weather.

The ravages of the storm can be seen about us on all sides. Like all catastrophies, misfortune and distress have followed in the wake of the most violent financial and political disturbance which the world has ever witnessed. Few, if any, homes in America have escaped the intensity of the disaster. All of us recognize the imperative demand that proper precautions be introduced to minimize the danger of a recurrence. Many of us are equally concerned, however, lest the effort to avoid a similar future disaster will entail a more hazardous course than the storm from which we would endeavor to escape. Our despair over our difficulties should not resolve itself into a spirit of destruction.

Conditions such as those from which America today is emerging were world-wide. Volumes have been written on the cause and cure of the depression. We need not be detained today to inquire into the soundness or unsoundness of the philosophies of either the diagnostician or those who appear with their cure-all remedies. It is sufficient to note that there can be no foundation for the charge that American democracy alone was at fault in this world-wide cataclysm. Indeed it should be brought to our attention that had it not been for the traditional American spirit of stability and the solidarity of the foundation laid by the Fathers we would not have been any more successful in withstanding the shock than those European nations which have witnessed complete political and financial collapse.

Our national achievements during the first 150 years of our history commanded the respect and admiration of the world. In all fields of human endeavor the vision, the energy, and the resourcefulness of America had attained world-wide recognition. With less than 10 percent of the population of the world, our people had more purchasing power than all the nations of Europe and had acquired more than half the world's wealth.

The mines of America gave to the world 60 percent of its minerals and from our fields more than half of the world's foodstuffs were harvested. Our country was knit together by a splendid system of efficient railroads and into each town and hamlet communication facilities of the highest type had been introduced so that America could claim nearly half of these advantages as her own. Extensive and improved highways formed the concourse for more than 90 percent of the world's automobiles. Are we required as the result of the experiences of the past few years to discard as useless these achievements?

It is unfortunate, Mr. Speaker, that the zealousness of those who are attempting a correction of abuses has prompted an attitude of despair and a loss of faith in many of our American institutions. There are those who continually urge that we must abandon our old order and accept a complete change in policy if we are to survive. There are those who insist that our achievements must be styled as the ruins of the past, and urge that only the adoption of radical measures will provide for our salvation. All classes and kinds of individual endeavor have been stigmatized as unworthy. Each field of individual endeavor has had placed upon it the odium of self-interest and to each field of activity in which individual effort has entered there has come the charge of personal aggrandizement.

A normally temperate American judgment has seemed to give way to abusive excesses of vindictiveness. In many instances rational evaluations of past accomplishment have been swept aside and an appraisal of worthlessness has been attached to the individual's achievements. Frequently this spirit has found expression in the House. Punitive purposes rather than constructive thought has been in evidence. It is with regret that I fear that much of the legislation has minimized entirely the endeavor of the individual and his right to protection. He has been herded into a company. The storm has driven us to a considerable extent from our truce course—the course of American democracy. Individualism has, to a large extent, given way to regimentation. Personal initiative appears no longer to have the right to expect a reward for its daring. Industrial enterprise has been bound by shackles of regulation. In spite of the Jeffersonian doctrine that the best government is that which governs least, we have created an ever-increasing array of alphabetized control agencies circumscribing the action of the individual and dictating his most intimate relationship. Successive experiments have been introduced in the extension of Government authority.

Dictatorial powers over industry have been inaugurated and the submission of business to arbitrary rules and orders has been insisted upon as a necessary procedure. It is with alarm that we must confess that the guarantee of the freedom of the press was only secured by the publishers of the country after persistent and continued endeavor. May I point out, Mr. Speaker, that no Government in the past has ever entered upon a policy of controlling business without imposing restrictions on the utterances of its people and the expressions of its publications? Many of us feel a lack of security in constitutional safeguards with respect to the freedom of speech, since the character of resiliency has been ascribed to that foundation stone of our liberties. A resilient constitution may or may not assume its original form once its elasticity has been unduly stretched. The question naturally presents itself whether the resiliency is sufficient to enable a return to a normal form after being extraordinarily extended by emergency pretenses.

I contend, Mr. Speaker, that the American people have the right to know the true purposes of the present administration. The course which is being pursued should be brought to the attention of the people so that they may be aware of the inevitable result of the present program. This Congress has created the machinery for the operation of business enterprises by Federal agencies. It has approved a monetary policy which has driven private funds into Federal securities as the only safe investment. Timidity, hesitancy, uncertainty are evident among those who could provide the means for the recovery of private industries. The railroads of the country have been taken away from private management and public ownership is in prospect. The banking institutions today are dependent upon Federal financial aid for capital and their policies will be dictated by political agencies. Either directly or indirectly, this Congress has delegated to executive bureaus and departments the right to decide upon prices, production, and profits. All questions relating to labor, wages, and hours of employment come under Government control. Certainly this bears every evidence of a course leading either to socialism or to state capitalism. Our people should be advised of the destination toward which we are heading.

There has been a subtlety about much of the development of the program which leaves our people misinformed of the ultimate results of these measures. The American business man, the American workman, the American farmer, and the American investor have been led blindly into this course without realizing the inevitable consequences of the policies. I charge the present administration with the duty of informing the people, if such is its purpose, that the rights of private property and of personal liberty are to be surrendered by them in exchange for a socialistic order. I protest against this continued veiling of purposes. If these policies have any merit they should be able to bear the scrutiny, the deliberate judgment, the careful appraisal of our people before we have gone too far to reestablish the inherent and time-honored rights of the individual.

I do not contend for an individualism which results in abuses and corruption. These are not the necessary fruits of the recognition of the right of the individual. The welfare of society can be protected without the imposition of the serfdom of bureaucracy. Against this serfdom of bureaucratic control which has been so characteristic of much of the legislation of this Congress, I enter the protest of the people of my district.

Returning to the allusion of Mr. Webster, Mr. Speaker, I hope the next Congress will set itself to the task of charting a course for the future, a course which will assure us of a constancy of truly American principles—a course which will be in line with truly American marks of longitude and latitude, and a course which will vouchsafe to our children a truly American voyage of peace, contentment, and happiness.

AIR-MAIL CONTRACTS

Mr. SABATH. Mr. Speaker, for weeks the Republican House clique has made itself ridiculous attacking the Democratic Party on the Constitution and, still more so when they used Dr. Wirt, after which fiasco they jumped upon the Postmaster General for the alleged illegal cancelation of air-mail contracts. This indefensible policy was pursued, notwithstanding that the administration had been assured by the Army Air Corps that if conditions demanded the Army could easily handle the air mail. When the Army did take over carriage of the air mail, with few resultant fatalities, immediately the Republican leaders and the subsidized Republican press continued for weeks to attack the administration because several of the flyers lost their lives due to the very worst possible weather conditions.

Having started the investigation of the collusion between the former Republican Postmaster General and these air-mail companies in the awarding of the fraudulent air-mail contracts, wherein the Government was defrauded of millions and millions of dollars, I am indeed gratified today that I am in possession of positive information that, due to the cancelation of the fraudulent contracts, the Government has been able to obtain new air-mail contracts that will save more than 50 percent in carrying the air mail, which means a savings of over $10,000,000 annually. Inasmuch as some of the Republican speeches that were made on the floor for the purpose of prejudicing the minds of the people misled many honest men, and to keep the record historically accurate, I am inserting information and statistics showing the prices that were formerly paid under the crooked contracts and the prices that the Democratic administration is paying now under the new contracts, which were so viciously and unwarrantably attacked by the Republicans. This positively demonstrates that Republican leaders, the subsidized Republican press and the Republican

professionals have not the real interest of the country at heart, but are Republicans first, last, and all the time, ever anxious to create a false political issue, and approve crooked dealings by which the public has been mulcted of millions and millions annually, because the same sort of fraudulent transactions that were rampant in the Republican Post Office Department exist in the Navy and the War Departments. Yes; we are going to spend a few thousand dollars to investigate these crooked transactions, it matters not how the Republicans dislike it. We are going to protect the Government and the taxpayers of this Nation and eliminate fraud and collusion whenever and wherever it may exist.

I am indeed gratified, not only in this instance, at the savings of millions to the Government but also to recall that the investigation which I started against the stock exchange, and which, happily for legitimate business, resulted in the passage of the regulatory stock-exchange act, will prevent the vicious and corrupt practices by which the people and the Government have been mulcted of untold millions annually. And I am just as gratified with the investigation which I caused to be made by the Judiciary Committee of the nefarious bankruptcy and receivership rackets. Naturally, I regret that some judges in my State and other States have been subjected to severe criticism and, in all likelihood, are to be impeached and probably removed, but, notwithstanding that unpleasantness, I do not regret having turned the searchlight of honest investigation upon these contemptible practices. Indeed, I feel that I have conscientiously performed a duty to the best of my humble ability and that I have done an enduring service in remedying evils so long sanctioned and condoned. I am confident by this investigation that the abuses will be eliminated and that our judiciary will attain the confidence and respect which it formerly enjoyed. Therefore, I look forward with anticipatory animation to the new task I have just undertaken, namely, to investigate the many abuses that have crept into the protective bondholders' and reorganization real-estate committees, and the investigation of alleged collusion on the part of receivers of both national and State banks.

I fully appreciate that once more I will be assailed by many undesirable citizens and have my motives questioned, but by this time I feel that I have satisfied the most doubting Thomas that I am simply trying to perform a plain duty fearlessly in an effort to protect the Government as well as the people.

At this point I insert the statistics which show comparatively the air-mail cost under the fraudulent contracts and the contracts granted by Postmaster General Farley. Let Mr. FISH, Mr. BRITTEN, or any other Republican, and the Republican press, dispute or attack these figures, if they can.

Contracts awarded to date

Route no.	Termini	Contractor	Rate per mile	Former rate for similar service	Date service began or is to begin
1	Newark to Oakland.	United Air Lines, Inc.	$0.38	$0.4265	May 8, 1934
2	Newark to Los Angeles.	TWA, Inc.	.24	.44	May 13, 1934
3	Fargo to Seattle.	Northwest Airlines, Inc.	.33¾	.45	May 26, 1934
4	Fort Worth to Los Angeles.	American Airlines, Inc.	.395	.45	May 13, 1934
5	Newark to New Orleans.	Eastern Air Lines, Inc.	.19	.4433	May 16, 1934
6	Newark to Miami.	do	.29	.44	Do.
7	Newark to Chicago.	American Airlines, Inc.	.395	.44	May 13, 1934
8	Chicago to New Orleans.	Pacific Seaboard Airlines, Inc.	.175	.45	June 3, 1934
9	Chicago to Dallas.	Braniff Airways, Inc.	.225	.45	May 17, 1934
10	Chicago-Jacksonville.	Eastern Air Lines, Inc.	.19	.45	June 1, 1934
11	Seattle-San Diego.	United Air Lines, Inc.	.395	.44	May 8, 1934
12	Salt Lake City-Seattle.	do	.395	.4433	Do.
13	Salt Lake City-San Diego.	General Air Lines, Inc.	.24	.45	Do.
14	Washington-Detroit.	Central Airlines, Inc.	.238	.44	May 17, 1934
15	Amarillo-Brownsville.	Long & Herman, Inc.	.19¾	.45	June 1, 1934

Contracts awarded to date—Continued

Route no.	Termini	Contractor	Rate per mile	Former rate for similar service	Date service began or is to begin
16	Chicago-Pembina.	Hanfords Tri State Airlines, Inc.	$0.196	$0.4433	June 1, 1934
17	Cheyenne-Pueblo.	Wyoming Air Service, Inc.	.35	.4433	May 15, 1934
18	Boston-Newark.	American Airlines, Inc.	.33⅓	.44	May 13, 1934
19	Salt Lake City-Great Falls.	Alfred Frank	.39	.45	May 15, 1934
21	Boston to Cleveland.	American Airlines, Inc.	.245	.45	June 10, 1934
22	Cleveland to Nashville.	do	.14⅞	.45	Do.
23	Newark to Fort Worth.	do	.13	.44	Do.
24	Charleston to Fort Worth.	Delta Air Corporation.	.248	None	(1)
25	Washington to Chicago.	American Airlines, Inc.	.29	None	June 10, 1934
27	Boston to Bangor and Burlington.	National Airways, Inc.	.295	None	June 23, 1934
28	Billings to Cheyenne.	Wyoming Air Service, Inc.	.285	None	June 20, 1934
29	Pueblo to El Paso.	Varney Speed Lines, Inc.	.24	.43	(1)
30	Chicago to Fort Worth.	American Airlines, Inc.	.08	.43	June 15, 1934
32	Detroit to Milwaukee.	Pennsylvania Airlines & Transport Co.	.389	.45	(1)

[1] Not determined.

Routes advertised but no award made to date pending final reports from the Department of Commerce

Route number	Termini	Low bidder	Rate per mile	Former rate for similar service
20	New Orleans-Houston.	Robertson Airplane Service Co.	$0.167	$0.45
26	St. Paul-Kansas City.	Hanfords Tri State Airlines, Inc.	.189	None
31	Daytona Beach-St. Petersburg.	D. K. Franklin and G. T. Baker.	.17	.45

In this connection I also insert excerpts from a statement of the Honorable Harlee Branch, Second Assistant Postmaster General, which, I hope, will prove convincingly to some persons who have so unjustifiably attacked the administration on this question that they have permitted themselves to be used by and are the victims of the conniving air-mail contractors. Speaking at Danville, Va., on May 30, 1934, Mr. Branch said, in part:

AIR MAIL

Mr. Farley has been made the object of much unjust and, in some instances, vicious criticism because of his annulment of the old air-mail contracts. The simple truth about this matter is that he discovered that the former administration of the Post Office Department had, through collusion with the old air-mail contractors, entered into fraudulent contracts, which were let without real competitive bidding, as required by law, and which were costing the taxpayers of the country many millions of dollars not in any way justified by the service rendered.

The air-mail business under the old regime was characterized by serious evils and abuses. Certain favored individuals or interests were handed contracts at exorbitant rates of pay thoroughly out of line with the service rendered, and some of those interested in the contracting companies built up, through stock manipulation, enormous fortunes from very small investments. Three large air-mail holding companies controlled approximately 92 percent of the entire air-mail business.

The profits on stock promotions in certain instances are astounding. William E. Boeing has testified before the Senate investigating committee that the Boeing Air Transport Co. was organized with a capital stock of $750, and that its net income for the year 1930 was approximately $1,500,000, made exclusively from an air-mail contract with the Post Office Department. This company paid dividends of five and one-half million dollars on this capital of $750 from 1928 to 1932, inclusive, all from air-mail contracts.

Mr. Boeing further claims to have invested $259.14 in the Boeing Air Transport Co. and said that he had about $400,000 in stock invested in different aviation companies which went into the United Aircraft & Transport Co. The original company was merged with United, and Mr. Boeing testified that in May 1929, stock which he had thus acquired had a value of approximately $51,500,000 on the market.

The Pratt-Whitney Aircraft Co. was organized with a capital stock of $1,000 for the purpose of manufacturing aircraft, and went into the United Aircraft & Transport system. It made a profit of 81.07 percent on all engines sold to the Government in

1930, and during the past 5 years this concern paid dividends of more than $12,000,000 on the original capital of $1,000.

Some of the promoters of these aviation companies organized pools for selling their stock to the public and paid themselves enormous salaries and stock dividends when they had little or no capital invested and knew nothing whatsoever about aviation.

For instance, Fred B. Rentscheler testified that he invested $253 and that his stock of the United Aircraft & Transport Co. was worth $35,575,848 in 1929. He actually received in cash more than $9,500,000 and still has 60,000 shares of stock.

These millions were all being made from the enormous investment of $253. From 1927 to 1933 Mr. Rentschler was paid more than $1,500,000 additional as salary and bonus. His associates all fared as well. George W. Mead invested $207, securing stock of the value of $29,000,000 in 1929 and actually cashed out at approximately $7,500,000. He had left 35,000 shares of stock besides his enormous salary and dividends. An investment of $40 netted George W. Deeds stock valued at $5,624,640, and he has actually received more than $1,000,000 in cash besides his enormous salary and dividends.

While representatives of the old air-mail companies were holding their famous "spoils" conference in 1930 one after another of those present expressed themselves as being willing to do almost anything to avoid competitive bidding. They were in the conferences to divide the air-mail map of the country. The official minutes of these conferences, now in the possession of the Post Office Department, quote one after another of the conferees as saying that he would rather do almost anything than to enter into competitive bidding.

At this point I wish to remind you that the law clearly provided that these contracts must be let by competitive bidding. This was not done, although many subterfuges were resorted to to avoid the competitive bidding requirements. When he learned the true status of the old air-mail contracts the Postmaster General, with the advice of the Solicitor of the Post Office Department and the Attorney General of the United States, canceled the contracts on the grounds that they were collusive and fraudulent.

After the contracts were canceled the old contractors and those who espoused their cause, among whom were many searching for some point upon which to attack the administration, loudly proclaimed that the contracts were canceled without a hearing and the contractors were convicted and sentenced without the right of trial.

As a mater of fact the evidence of fraud and collusion was conclusive and the contractors whose contracts were canceled had the right, and still have the right, to seek redress in the United States Court of Claims. Not a single one of them has brought any action in this court and I doubt seriously whether anyone of them ever will. I predict here and now that if anyone of them ever appeals to the Court of Claims that court will rule against them, for there are volumes of evidence in the possession of the Government which proves that the contracts were fraudulently obtained and this evidence, gathered from many sources, is available, notwithstanding it has been proven that the files of former Postmaster General Walter F. Brown and former Second Assistant Postmaster General Warren I. Glover, containing many of the important records of the air-mail transactions, were burned just before they went out of office. Despite the burning of these very important records, postal inspectors and investigators for the Senate investigating committee have gathered a great mass of evidence.

I do not ask you to take my word for the charge that the old contracts were illegal, for evidence has been produced before the Senate investigating committee, and is now in the records of that committee, which shows that some of the participants in the "spoils" conferences themselves considered the proceedings illegal. Out of their own mouths they are convicted.

An attorney for one of the aviation companies who is reported by the minutes of the "spoils" conferences to have been in attendance thereon, wrote a letter about the proceedings of the conferences to a banker who was interested in one of the companies, in which he said:

"The whole plan of having the business divide up the Government's money without competitive bidding will surely fail unless not only the flying service but perhaps other operators are taken into consideration.

"The P.M.G. (referring to Postmaster General Brown) stated plainly that he would not welcome bidding by one company for lines in another one's territory, but stated that he would have to have such a competition unless an equitable arrangement could be made all around. * * *"

Col. Paul Henderson, who was also at the "spoils" conferences as the representative of the United Aircraft, testified before the Senate investigating committee as follows:

"I find practically every one of them (referring to those present) made the statement that they would prefer the plan suggested rather than competitive bidding."

Col. Henderson also testified that he warned Mr. W. P. MacCracken, the chairman of the "spoils" conferences, that he thought it was a great mistake to go on with the conferences until those present had some more definite information about the legality of the plans that were proposed.

The question of the legality of one of the old contracts came to the attention of Mr. John Lord O'Brian, assistant to the Attorney General in the former administration, and Mr. O'Brian wrote a letter on the subject to Mr. Arch Coleman, then First Assistant Postmaster General, in which he disapproved the letting of the contract in question, as follows:

"I have carefully considered the question whether the Postmaster General should award a contract for carrying air mail from New York, N.Y., to Los Angeles, Calif., and return, on the basis of bids received in response to the Postmaster General's advertisement of August 2, 1930. In my opinion, section 4 of the Air Mail Act of February 2, 1925, as amended by the act of April 29, 1930 (U.S.C., title 39, sec. 464), does not authorize the Postmaster General to limit bids to those who have had 'at least 6 months' actual experience in operating aircraft on regular night schedules over a route 250 miles or more in length.' Since the requirement of the advertisement of August 2, 1930, may have prevented the submission of bids by otherwise qualified bidders and may to that extent have defeated open competition in bidding, I think the Postmaster General should reject all the bids received and readvertise for bids for this route."

Assistant Attorney General O'Brian's advice was disregarded and the contract was allowed to stand.

As a result of the annulment of the old contracts and the letting of new contracts by real competitive bidding, the per annum cost of the Air Mail Service over a system embracing 28,548 miles—3,300 miles more than were embraced in the old system—will be $7,700,238.80 as compared with $19,400,264.81 in the fiscal year 1933.

The appropriation for the fiscal year 1935 is $12,000,000. Even with such a reduced appropriation the Post Office Department will be enabled to establish the new and greatly expanded service and at the same time have available $4,299,761.20 for increased frequencies of schedules where needed and for additional routes. The average rate of air-mail pay per airplane mile will, under the bids of the new air-mail system, be 27.9 cents, as compared with approximately 42 cents per airplane mile before the old contracts were annulled.

I have sought to give you an accurate account of what the administration and the Post Office Department are doing. I think I can with propriety say that the record of the Post Office Department and the administration as a whole is one of which not only Democrats but all the people of the country may well be proud.

With the leadership which President Roosevelt has given and is giving and with the cooperation which he is receiving from the Congress and the people, the country has been brought well along the road to recovery, and it behooves everyone who desires continued progress along that road to loyally support the administration.

If the would-be wreckers of what has been done are encouraged and the administration is handicapped by a lack of support on the part of the people, the goal to which we all are working will not only not be reached but much that has been accomplished will be lost. Let us keep our eyes toward the sun and let us not be deceived or misled.

LOSS OF LIBERTY UNDER THE NEW DEAL

Mr. FORD. Mr. Speaker, there has been much said about the loss of liberty under the new deal. The loss of liberty, indeed! What liberty?

That of the despoiler, of the exploiter, of the profiteer. That is the liberty we are curtailing. Let me be specific. Let me list some of the liberties we are attacking.

First. We are determined to destroy the liberty Mr. Insull and his ilk enjoyed, to pyramid practically worthless securities and to sell them to innocent investors at a profit of millions and even billions of dollars. The Mellon administration construed such liberties as Insull took as entirely proper and entirely constitutional.

Second. We have destroyed the liberty, also constitutional, of the international bankers at New York to sell worthless foreign bonds to their depositors, as they did to the tune of billions. And now they are aghast at the administration's action to put a stop to such banditry.

Third. We are putting an end to the liberty, entirely constitutional because not forbidden there, of the public-utility corporations throughout the Nation to sell water, gas, and electricity at outrageous rates and when estopped by State commissions to bring about interminable delays by technical appeals in the Federal courts.

Fourth. We are taking from the steel corporations their special privilege, doubtless quite constitutional, to sell steel to the Government at a price that provided enormous bonuses to their high executives, and to hold up the railroads for steel for their rails and rolling stock at the expense of the railroads' stockholders and the railroad workers.

Fifth. We are opposed to the liberty, hitherto enjoyed by the coal companies, to profiteer on coal, while their enslaved employees delve in the dank, dark bowels of the earth for a pittance.

These, my friends, are the liberties we are attacking.

We are opposed to continuing the conditions by which the American people were given the liberty to starve in a land of plenty. When we found in March 1933 millions of

our people ruined and destitute, hopeless and neglected, with nothing being done to save them, we took the liberty of acting in their behalf.

We adopted a program to rehabilitate the farmers, to save the home owners, to restore business and employment, to stop cutthroat competition, to outlaw the sweatshop, and to take the children out of the factories and put the unemployed adults to work. We said that in free America no one is to starve. Those that charge that such a program is an infringement upon our constitutional liberties are slandering alike our Constitution and our common sense.

It is the piratical liberty to destroy this democracy that our opponents are trying to save. To the charge that we are guilty of attempting, and of succeeding fairly well, in curbing that kind of liberty, we plead guilty. We are infringing on the liberty of a few greedy, ruthless pirates to amass great fortunes for themselves at the expense of the many.

We are curbing the liberty to plunder the farmer, rob the consumer, and destroy the workingman.

We are determined to destroy all such vicious liberties. As we believe in curbing the ungodly liberty of the exploiters, we are restoring the liberty of the common man and woman and are daily coming closer to that goal which our great President so aptly calls "a more abundant life."

THE ISSUE OF THE 1934 ELECTION—SHALL WE CONTINUE THE NEW DEAL OR SHALL WE GO BACK TO THE OLD DEAL?—AN OUTLINE OF THE ACHIEVEMENTS OF THE ROOSEVELT ADMINTRATION

Mr. SMITH of Washington. Mr. Speaker, on the opening day of this session President Roosevelt delivered in person his message to Congress which thrilled and deeply stirred those of us who were privileged to hear it, as well as the entire Nation. In his address, President Roosevelt stated what I consider to be the paramount issue facing the American people at this time and which will be the issue in the elections this year. President Roosevelt said:

I come before you at the opening of the regular session of the Seventy-third Congress, not to make requests for special or detailed items of legislation; I come, rather, to counsel with you, who, like myself have been selected to carry out a mandate of the whole people, in order that without partisanship you and I may cooperate to continue the restoration of our national well-being and, equally important, to build on the ruins of the past a new structure designed better to meet the problems of modern civilization.

Such a structure includes not only the relations of industry and agriculture and finance, to each other, but also the effect which all of these three have on our individual citizens and on the whole people as a nation.

Now that we are definitely in the process of recovery, lines have been rightly drawn between those to whom this recovery means a return to the old methods—and the number of these people is small—and those for whom recovery means a reform of many old methods, a permanent readjustment of many of our ways of thinking and therefore of many of our social and economic arrangements.

Civilization cannot go back; civilization must not stand still. We have undertaken new methods. It is our task to perfect, to improve, to alter when necessary, but in all cases to go forward. To consolidate what we are doing, to make our economic and social structural capable of dealing with modern life, is the joint task of the legislative, the judicial, and the executive branches of the National Government.

Without regard to party, the overwhelming majority of our people seek a greater opportunity for humanity to prosper and find happiness. They recognize that human welfare has not increased and does not increase through mere materialism and luxury, but that it does progress through integrity, unselfishness, responsibility, and justice.

In the past few months, as a result of our action, we have demanded of many citizens that they surrender certain licenses to do as they pleased in their business relationships, but we have asked this in exchange for the protection which the State can give against exploitation by their fellow men or by combinations of their fellow men.

I congratulate this Congress upon the courage, the earnestness, and the efficiency with which you met the crisis at the special session. It was your fine understanding of the national problem that furnished the example which the country has so splendidly followed. I venture to say that the task confronting the First Congress of 1789 was no greater than your own.

THE BANKING CRISIS

Mr. Speaker and ladies and gentlemen of the House, the prompt action of President Roosevelt in declaring the bank holiday prevented further bank failures and utter collapse of our banking system at a time when the banks were closing at the rate of 300 per day, wiping out the savings and deposits of millions of citizens and stockholders. The enactment by Congress of the Emergency Bank Relief Act on the opening day of the special session enabled all solvent banks to reopen until now, a year later, as contrasted with the 7,050 bank failures during the Hoover administration, there have been fewer bank failures so far this year than in any year for the past 13 years.

GUARANTY OF BANK DEPOSITS

On January 1 of this year the new law guaranteeing bank deposits up to $2,500 went into effect, and which we have just increased to $5,000, which protects the savings of the people and the accounts of small depositors. This great banking reform was advocated by Woodrow Wilson when the Federal Reserve Act was enacted but was opposed by Wall Street and defeated by a Republican Senate and again defeated by the Republican majority in the same body in 1932, but passed by a Democratic House and Democratic Senate during the special session and signed by President Roosevelt, and amended this session to also provide relief for depositors in closed banks.

PUBLIC WORKS PROGRAM

This administration has appropriated $3,300,000,000 during the special session and the further sum of $500,000,000 during this session, or a total of $3,800,000,000 for public works to give employment to the jobless, and Secretary Harold L. Ickes has just estimated that as a result of the expenditures to be made during the balance of this year of 1934 at least 3,000,000 citizens will be employed.

Hoover bitterly opposed public works, vetoed the Garner public works bill in 1932 because it would "unbalance the Budget" and because he did not consider it the duty of the Federal Government to concern itself with the problem of unemployment. In his message to Congress December 3, 1931, he said:

Business depressions have been recurrent in the life of our country and are but transitory. The Nation has emerged from each of them with increased strength and virility, because of the enlightenment they have brought, the readjustments and the larger understanding of the realities and obligations of life and work which come from them.

This is the same idea recently expressed by James P. Warburg, Wall Street banker, who objects to the efforts of the Roosevelt administration to speed up employment and says the American people should be ready "to face whatever suffering there may be in a slow, orderly process of recovery." In other words that we should wait for the financial and industrial leaders to bring us out of the abyss into which they thrust the country.

FEDERAL EMERGENCY RELIEF ADMINISTRATION

In addition to the Public Works program, President Roosevelt and Congress provided $500,000,000 for grants to the States to relieve the hardship and suffering caused by unemployment, which furnishes a striking contrast to the action of President Hoover's pocket veto killing the Wagner bill in the Seventy-first Congress, which would have allocated a like amount for the same purposes, in keeping with his expressed determination:

I am opposed to any direct or indirect Government dole. * * * Our people are providing against distress from unemployment in true American fashion by magnificent response to public appeal and by action of the local governments.

CIVILIAN CONSERVATION CORPS

The Roosevelt administration took immediate steps to provide wholesome and useful employment for the many thousands of idle young men who were roaming around the country, and under the reforestation bill approximately 500,000 young men have been given employment in the Civilian Conservation Corps camps throughout the Nation, and paid $30 per month, with food, clothing, and shelter, and medical service, and extra pay to those capable of doing special work. The sum of $250,000,000 has been expended to date. The authorized strength today is 303,525 persons, composed

of 250,000 youths, 28,125 war veterans, and 25,400 experienced woodsmen, in 1,468 camps in all sections of the United States.

CIVIL WORKS ADMINISTRATION

Civil Works Administration's first pay roll was on November 23, 1933, and approximately $1,000,000,000 has been expended, $750,000,000 for wages and $250,000,000 for material. C.W.A. at its peak gave jobs to more than 4,000,000. The average from December 1, 1933, to April 1, 1934, was 3,000,000 persons. About four-fifths of current C.W.A. projects will be continued under the new Federal Emergency Relief program.

There is not another chapter in the history of the world which depicts such two widely different pictures as those presented by the refusal of Herbert Hoover in the winter of 1932 to aid the unemployed and his rejection of the plea of the hunger marchers who asked for $50 for each unemployed family and the noble action of Franklin D. Roosevelt in the winter of 1933–34 in granting $400,000,000 through the Civil Works Administration to the unemployed, which was the finest Christmas gift ever presented by any government to its unfortunate citizens.

I have quoted the philosophy of the old deal, as expressed by President Hoover, in opposition to the Federal Government extending aid to its unemployed citizens, and at this point will quote the philospohy of the new deal, bearing on this vital subject as expressed by President Roosevelt in his address to Congress:

I shall continue to regard it as my duty to use whatever means may be necessary to supplement State, local, and private agencies for the relief of suffering caused by unemployment.

FEDERAL PAY AID TO TEACHERS AND SCHOOLS

We also set aside a Federal fund of $50,000,000 to keep schools open that otherwise would have been forced to close and to relieve school districts whose outstanding warrants exceeded the year's income and whose warrants were therefore uncashable. To school districts in southwest Washington, various sums were granted to pay teachers' salaries for the remainder of the year, and further aid for the same laudable purposes will be provided out of the additional $75,000,000 we have authorized for loans.

INDUSTRIAL RECOVERY ACT

The objects of this act as stated by President Roosevelt are:

1. To shorten the working week.
2. To pay higher wages for the shorter week.
3. To thereby cause the employment of a greater number of workers.
4. To prevent unfair competition.
5. To prevent overproduction.

Recovery Administrator Hugh S. Johnson estimates that N.R.A. has brought about the reemployment of 3,000,000 citizens and increased industrial pay rolls at least $3,000,000,000 per annum. Codes of fair competition have been adopted by 373 industries to eliminate child labor, sweatshops and vicious price-slashing, and cut-throat competition; and to insure guaranteed maximum hours, minimum wages, and unrestricted collective bargaining to workers. Ninety percent of the 22,000,000 workers in industries subject to codes are now covered by codes. The important steel and automobile industries and lesser units have adopted the 10 percent wage increase program urged by President Roosevelt.

DIRECT LOANS TO INDUSTRY

This Congress has also passed legislation to provide funds to be loaned direct to private industries for pay rolls and working capital, so that the small industrial plants and factories can operate and give employment. The Garner public works bill, to which we have already alluded, contained a similar proviso, but, as we have noted, it was vetoed by President Hoover, and this aid was thereby denied to the industries of the country.

REEMPLOYMENT

The American Federation of Labor credits the new deal with having accomplished the reemployment of 5,831,000 persons since March 4, 1933.

HOME OWNERS' MORTGAGE LOANS

President Roosevelt and Congress established the Home Owners' Loan Corporation which has refinanced the mortgages for distressed home owners, having made 138,175 loans to date, aggregating $392,296,723, and it is expected that from now on the work of the Corporation will be expedited so that loan applications will be acted upon more promptly. This is also relief which the Hoover administration failed and refused to provide.

FARM CREDIT ADMINISTRATION

The farmers have borrowed over $823,000,000 from this organization created by the Roosevelt administration, there having been loaned to farmers in each of 3,072 counties of the United States the average total of $140,000 per county.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Agricultural crop and mortgage loans and A.A.A. benefits to date exceed $1,172,000,000.

FEDERAL SURPLUS RELIEF ADMINISTRATION

This Administration has expended over $100,000,000 since November 1, 1933, to provide food, fuel, and other necessaries to the needy and absorbed surplus products of the farmers, including beef, butter, and cheese.

FEDERAL SUBSISTENCE HOMESTEADS CORPORATION

The sum of $25,000,000 was diverted to this unit from the Public Works Administration for subsistence homestead projects for experimental purposes, the program to be enlarged if the experiment proves successful. The initial appropriation is expected to aid 12,000 families, approximately 60,000 persons, to become self-supporting. The first project west of the Mississippi River will be located in my district at Longview, Wash.

MONEY AND CURRENCY REFORM

When President Roosevelt took the United States off the gold standard, we no longer were compelled to suffer from the unfair competition of depreciated foreign currencies, which for over 2 years were inimical to labor and industry in the United States and in regard to which the Hoover administration took no action.

The repeal of the gold-payable clause in an existing Federal statute, the inflational amendment to the agricultural bill, the inclusion of silver in our monetary system, the gold devaluation bill reducing the gold content of the dollar to 60 percent, the establishment of a currency-stabilization fund of $2,000,000,000 for protection against foreign depreciated currencies in the future are legislative enactments which will liberate the American people from the tyranny and thralldom of the money kings of Wall Street.

THE WAGNER UNEMPLOYMENT AGENCY BILL

Congress also passed and President Roosevelt signed the Wagner Reemployment Agency Act to establish Federal employment agencies in industrial communities in cooperation with the State governments and authorizing funds therefor until 1938. This progressive measure was enacted during the last administration, but was also vetoed by President Hoover.

THE SECURITIES AND STOCK EXCHANGE ACTS

This legislation was recommended by President Roosevelt and passed by Congress to prevent in the future the colossal frauds which were perpetrated during the Hoover administration and cost the American investing public billions of dollars by stock-market manipulations, which have recently been exposed and brought to light at the hearings before the Senate Banking Committee which were ordered held by President Roosevelt. It will no longer be possible for firms like Dillon, Read & Co., to cite just one of the numerous cases, to buy investment trust stocks for 20 cents a share and later unload them on the public for $55 to $60 per share, as they did in 1929. This company obtained for $100,000 in 1924 stock which they later "ran up" on the stock exchange to $36,000,000. By an investment of $5,100,000, the firm was able to control two trusts with a total capitalization of $90,000,000. In answer to one question by Ferdinand Pecora, the committee counsel, Dillon admitted that his company collected in one transaction a $2,000,000 commission for selling $50,000 worth of stocks.

It was to this gentry that President Roosevelt paid his respects in his recent message to Congress:

I am speaking of those individuals who have evaded the spirit and purpose of our tax laws, of those high officials of banks and corporations who have grown rich at the expense of their stockholders or the public, of those reckless speculators with their own or other people's money whose operations have injured the values of the farmers' crops and the savings of the poor.

Nor will it be possible hereafter to dump worthless foreign bonds upon the small banks and their customers in every community in the United States, which wrecked most of these institutions and ruined their depositors because of the false and mistaken idea expressed by President Hoover "that we should interest ourselves in the development of backward or crippled countries by means of loans." To further protect our own people we have provided by law that all foreign bond issues must hereafter be subjected to the approval of the State Department. We have also enacted the Johnson-McReynolds bill, which prohibits the sale of the bonds and securities of any foreign nation which is in default in its debts to the United States.

INCOME-TAX FRAUDS

President Roosevelt and this Congress have also plugged up the loopholes and jokers in the internal-revenue laws of the previous administration, which made it possible for the multimillionaires of the country to escape payment of their income taxes and make no contribution whatsoever to maintain and support their Government during the darkest hours of its history, at a time when thousands of laboring men and farmers throughout the land were having their homes sold for nonpayment of taxes. J. P. Morgan paid no income tax in 1930, 1931, and 1932, nor did Otto H. Kahn. Arthur W. Cutten made more than $1,000,000 in 1929 and 1930 on oil deals but escaped income tax, shifting this profit to his Canadian company. Albert H. Wiggin avoided taxes on $4,000,000 short-sales profits, poor fellow, and when he resigned the presidency of the Chase National Bank, he had his directors vote him a modest pension of $100,000 per year for the balance of his natural life. However, his pension was revoked when the sordid tale was revealed before the Senate Banking Committee, together with his operations in speculating in the bank's stock against the interest of the bank's stockholders. Thomas S. Lamont, Morgan partner, sold stock to his wife, loaned her money to purchase it, later rebought it by tearing up his wife's note. These and similar practices have been outlawed by act of this Congress.

RECIPROCAL TARIFF TRADE AGREEMENTS

This Congress has also clothed President Roosevelt with the same authority possessed by the executive branches of all the leading nations of the world to negotiate reciprocal tariff trade agreements, in order to better protect the interests of American industry, American labor, and American agriculture, and render it possible for us to obtain our fair share of the world's trade and commerce and increase our export business with foreign nations upon a reciprocal basis.

WHAT PRICE RECOVERY?

It is claimed that Wall Street "views with alarm" the net cost of the new deal, which President Roosevelt has estimated at $7,000,000,000, to carry out during the next 15 months the program of emergency loans, gifts, and benefits from coast to coast to revive industry, labor, and agriculture, which is to cease on June 30, 1935, when the country is expected to have recovered sufficiently to live within its income. It is even rumored that these expenditures are to be the big issue of the 1934 campaign for the control of Congress.

President Roosevelt and the Democratic Members of Congress will welcome that issue and gladly meet their foes on that issue.

It the gross cost of the new deal is to be $10,000,000,000, less revenue of $3,000,000,000, or $7,000,000,000 net, it seems small compared with the $42,000,000,000 the World War cost us, for which we are still paying and will be paying for decades. What did our people get out of it? Nothing, and worse than nothing, for we lost the friendship of Europe, and, what was worth infinitely more, the precious lives of 120,000 of our bravest and finest young men. It has been asserted that for every 3 lives lost, we gained 1 new millionaire, that 40,000 new millionaires came out of the war. Undoubtedly, they are the very people who now claim that the cost of financing our present war against the depression is excessive.

According to an article by Edward A. Filene, wealthy merchant of Boston, recently published in the Forum Magazine, it costs America, in nonproduction, to keep 15,000,000 men unemployed for 2½ months, the sum of $10,000,000,000. dollars.

Andrew W. Mellon, as Secretary of the Treasury, during the administrations of Hoover, Coolidge, and Harding refunded to the big corporations and banks of the country alleged overpayments of income taxes of $4,000,000,000. Mellon was also responsible for reducing the income taxes and surtaxes in the higher brackets below what they were during the Woodrow Wilson administration, to such a degree that if they had remained unchanged, our entire national debt could have been paid off prior to 1929, or twice the sum of $10,000,000,000. The multimillionaires, big New York corporations, and banks were saved that amount through the generous but mistaken and unsound Mellon administrations, which was a contributing cause to bringing about the debacle and crash of 1929.

It was the beneficiaries of this policy, following the trip which President Hoover made to South America in company with Andrew Mellon before his inauguration and before Mellon later speeded to Europe, who launched in the United States the greatest selling campaign of foreign bonds and securities the world has ever witnessed, and disposed of probably $25,000,000,000 worth to the investors and small banks in every nook and corner of the United States. These bonds were mostly for public works in the countries of South America, central Europe, Asia, and every country on the map, and thereby these billions of dollars were siphoned and drained out of thousands of American communities, which themselves needed but could not afford to buy public works, but to their loss and sorrow were led into paying for public works everywhere else on the globe by the big-hearted patriotic bond, banking, and investment houses of Wall Street who now "view with alarm" the expenditure of $10,000,000,000 for needed public works and other national recovery projects in order to create necessary employment and to rehabilitate industry and agriculture in the United States.

This very same group of financial racketeers, including some of the leading industrialists, who howled the loudest for aid from the Federal Government in March 1933, when they thought they heard the crack of doom and feared the day of judgment had come upon them and their works, have now become rugged individualists again and only ask to be left alone, and implore the Government not to spend any money for fear it may cause an increase in their income taxes—the contemptible, miserable traitors to their country, their God, and God's children.

We repeat, if that is to be the issue, we will meet it squarely, and have not a particle of doubt that the American people will meet it and answer it in no uncertain terms.

THE VETERANS

The pensions, benefits, and compensation to the veterans of our wars have been substantially restored, approximately 75 percent, and I predict that in the near future they will be wholly restored, as soon as the condition of the National Treasury will permit. This administration will restore entirely the reduction which was precipitated by the crisis into which our beloved country was plunged by the most ruthless exploitation and saturnalia of pillage, plunder, and legalized robbery to which any people have ever been subjected, prior to March 4, 1933, and which God grant may never again return to curse and blight our fair land and threaten its very existence.

PLANS FOR THE FUTURE

Our tasks have just begun and much more remains to be done. There can be no turning backward now. We must continue to press forward toward our goal, which is to make

America free and a better, happier place for all our people to live and rear their children, and to enjoy a more abundant, sweeter life.

THE FEDERAL HOUSING PROGRAM

A survey just completed by the new Federal Housing Corporation discloses the startling fact that 9,000,000 families, nearly one-third of the entire number in the United States, are living in houses unfit for human habitation in nearly every town and city in the Nation. This is in addition to the need for slum clearance, which exists in the largest cities. Dr. Edith Elmer Wood has estimated that $15,000,000,000 a year is the annual cost of this bad housing in sickness, premature death, and crime. She advocates a Federal expenditure of $2,000,000,000 for decent low-cost homes to provide an adequate water supply, sanitation, sewerage, drainage, plumbing, and other protective measures against disease and the elements. Money spent on a huge building and construction program will benefit and stimulate almost every industry and line of business and give employment to a greater number and variety of workers, skilled and unskilled, than any other enterprise.

The need for such a housing program for clean, decent, sanitary homes for the breadwinners of America is a challenge to the new deal which will be met. We would not back away from it if we could, we could not do so if we would, and we have therefore enacted the Federal housing bill.

American dollars, borrowed by European countries after the war, have provided workers of those countries with comfortable, sanitary, and attractive homes. It is time American dollars were put to work doing the same thing for our own people. In Germany alone, it is alleged that 300,000 new homes have been constructed and financed from funds borrowed in the United States.

In a majority of these houses which need to be rebuilt and replaced with homes more befitting the worth and dignity of the American laborer and farmer of today, there is also a real need for many of the comforts of modern life. These homes need to be equipped with sewing machines, washing machines, gas ranges, vacuum cleaners, mechanical refrigerators, and electric ranges.

Of 6,000,000 farm houses, less than 1,000,000 have running water, only 840,000 have electricity, and but 530,000 have bathrooms.

Out of 30,000,000 families in the United States, only 25 percent have pianos, only 40 percent have radios, only 60 percent have private automobiles. According to a recent Government survey, we need 4,000 new rural schools, new libraries, art galleries, parks, playgrounds, public baths, the adult-education facilities. There are inventions yet to be utilized, such as air-conditioning of homes and cities.

Our railroads and their equipment are obsolete and out of date, and should be remechanized and modernized, which would bring that aid to heavy industries that expansion of the automobile industry brought about in 1920.

NEW NATIONAL PLANNING PROGRAM

President Roosevelt has delegated to four members of his Cabinet, Secretaries Ickes, Wallace, Dern, and Roper, of the Interior, Agriculture, War, and Commerce Departments, respectively, the task of studying and working out a broad program of national planning and economic development, in regard to which he has recently sent messages to Congress.

The contemplated program would embrace transcontinental high-speed highways, conversion of waste lands into national forests, the conservation of natural resources, the decentralization of industry, the transfer of millions of inhabitants from cities where they cannot prosper to numerous self-sustaining rural homes, immense expansion of public electric and water power development, and mammoth coordinated flood-control and waterways projects, the latter of particular interest to the Pacific Northwest.

It is intended to place this program under the jurisdiction of five agencies similar to the Tennessee Valley Authority—one each for the Atlantic, Pacific, and Gulf waterways, one for the eastern and one for the western tributaries of the Mississippi River.

In speaking of this plan when it was first announced by President Roosevelt, the following statement was made by Secretary Harold L. Ickes:

Until comparatively recent times the average American scoffed at any suggestion of a necessity for orderly planning for city, State, or Nation. We are undertaking to eradicate our slums.

We now are taking a further step forward in the matter of planning. If city planning has been worth while, why not go in for national planning? And that is precisely what we are doing in the progressive, forward-looking administration of President Roosevelt.

There has been urged upon us for serious consideration from many quarters the building of at least one superhighway all the way across the country from which branch roads at appropriate points could diverge. That at least such a transcontinental arterial highway will be built in the future there can be no doubt.

Intelligent and comprehensive planning on a national scale fits into the social vision of the future. If, as I believe, we are now definitely committed to the testing of new social values; if we have turned our backs for all time on the dreadful implications in the expression "rugged individualism"; if we have firmly set our feet to tread a new and more desirable social path; if we have given over the feeding, not only ourselves, but our women and our children, to the gluttony of ruthless industrialism; if it is our purpose to make industrialism serve humanity, then national planning will become a major governmental activity.

But a new day is coming, a day of greater leisure for the average man and of more intelligent use of that leisure. The tremendous, recreational, scenic, and aesthetic resources that we have must be put to their full use.

First of all, we must preserve them for future generations. We have already made a notable beginning along this line. Our vast system of national parks and monuments and forests already assure for all time to future generations the preservation of the natural beauties and wonders and historic values that are contained in those areas.

Submarginal lands on which people in vain have been trying to eke out a bare existence can be made to serve a social and an economic purpose, while the farmers struggling to raise a reluctant crop from sterile soil can be moved to other lands of greater productivity.

Mr. Speaker and Members of the House, there are other projects which Congress has under consideration, such as the making of small long-term personal loans at a low interest rate to laborers and farmers who are involved in debt; unemployment insurance; health and accident insurance; adequate Federal old-age pensions, urged by President Roosevelt in his message on social legislation; and necessary and essential changes in our money and monetary policy to prevent the exaction of usury and high interest rates from our citizens and the Government itself, abolishing the printing of tax-exempt interest-bearing bonds, restoring to Congress "the right to coin money and regulate the value thereof"; and other progressive social legislation, which the length of this address, already extended beyond the limits I had intended, will not allow me to discuss at this time.

Mr. Speaker, in conclusion I submit this record of the accomplishments of President Roosevelt and the Seventy-third Congress, which I have too briefly outlined, to the sober and earnest consideration of the American people, who are the final arbiters and court of last resort to pass judgment upon our deeds. We do not claim that the record is perfect and that no mistakes have been made, that we are infallible—far from it.

However, we do claim that every energetic, honest, patriotic effort has been made during the past year to correct some of the errors of the past, to remedy some of the harm that has been inflicted upon our people, to correct some of the abuses in government, and to mete out a larger measure of justice and right to the average American citizen, and bring to him and his family and children the blessings of good government, and thus make this country a better, happier place for all of us to live in. We have made only a beginning, a small beginning, in our efforts to put the new deal into effect, and ask and feel confident that President Roosevelt and Congress will continue to have the loyal, unswerving support and aid of all American citizens, regardless of political party, who do not desire to go back to the old deal, but are determined to go forward to better days and, in the words of President Roosevelt, again quoting from his message to Congress, "to continue the restoration of our

national well-being and equally important to build on the ruins of the past a new structure designed better to meet the problems of modern civilization."

No retreat, America.

THE NEW DEAL

Mr. MILLIGAN. Mr. Speaker, a little over 15 months ago the Democratic Party took control of the administration of our national affairs. At that time gloom hovered around the fireside of every American family. Fear and despair dwelt in the hearts of every American citizen. An army of 14,000,000 of unemployed walked the streets looking for employment; this army gained thousands of new recruits every day. Farm commodities by comparison were the lowest in the history of our Nation. Agriculture was prostrate. Business and industry were at the lowest ebb. Commerce and trade were stagnant. Through the closing of banks our monetary and financial system was paralyzed. The dawn of each new day brought a shudder of despair. Our people had lost confidence in the Government to bring about a recovery. They knew the old order would not bring relief. They felt its policy of drifting and hesitating was responsible for our economic collapse.

A new deal was necessary. A leadership of courage and decision was needed to put into effect a program of relief and to inspire confidence in our people which was person of Franklin D. Roosevelt. His short, frank, and necessary for recovery. We found such a leader in the courageous inaugural address was an inspiration and served as a rallying call to our people to unite and strike down the depression that held our country in its grip. The American people responded. Hope and courage drove despair and fear from the hearts of our people. Confidence was reborn. The Nation turned, uplifted and inspired, with faith to its new leader, a man of action, and whose heart beat in sympathy with the interest of all the people.

Some have criticized this Congress for delegating broad and unusual powers to the Executive. In normal times such criticism would be justified, but these are not normal times. In my opinion, this is the greatest crisis that has ever confronted our Nation. The emergency called for unusual and rapid action. I supported every measure recommended by the President to Congress. I make no apologies for my action. I have confidence that the President will not abuse this authority. I know he will use these broad powers justly and wisely to better the condition of all our people.

Let us review briefly some of the achievements of this administration. The Farm Relief Act has placed agriculture on a sounder basis, increased prices for farm products, stabilized farm production. Thirty million of our people directly dependent upon the farms of America are on the way up the hill to recovery. Farms about to be sold under mortgage foreclosures are being refinanced at low rates of interest over a period of years. Homes of the American family, the foundation of our Nation, are being saved through the Home Owners' Loan Corporation. Millions of our unemployed now have employment. Closed shops and factories have been opened. Closed banks have been reopened, frozen assets are being liquidated, confidence has been restored in our banking system by revamping the banking laws and insuring bank deposits. The purchasing power of the American dollar has been stabilized. A more equitable distribution of the products of capital and labor has been brought about. Sweatshops and child labor have been abolished. A better wage and safer working conditions have been provided for labor. Highly organized criminal gangs are being brought to a speedy justice. Fraud and corruption are being driven from the high places in public life. By legislation already enacted and legislation now being considered the investing public will be protected from the exploitation by the unscrupulous.

Under a short-sighted policy of protective tariff of the former administration, prohibitive tariff rates were enacted that destroyed our foreign markets wherein we sold our surplus farm commodities and manufactured articles. Under this system by comparing the year of 1929 with the year of 1933 our foreign trade declined 70 percent. Seven millions of our citizens were employed in carrying on this commerce. Such a situation can mean only unemployment, decline in farm prices, and the closing of factories of the country. The Congress has enacted a bill that we believe will regain for us our foreign markets wherein we sold our surpluses.

With such a gigantic program that has been put into effect in these last 13 months to bring relief to every class of our citizens we do not claim that all is perfect. Of course, there have been mistakes made. The administration will correct these mistakes wherever they appear. Many of these measures are temporary. They were only designed to meet a grave emergency. Others were designed and enacted to establish a permanent policy. No one contends that every serious problem that confronted us has been satisfactorily solved. The objective of this program has been to bring relief to the larger number of our people, to revive industry, agriculture, and commerce; to restore confidence and bring about a complete economic recovery. This great program of relief is and has been succeeding. It will continue to succeed if we have the united support of the American people.

GEN. THOMAS SUMTER

Mr. FULMER. Mr. Speaker, on August 14, 1934, the city of Sumter and the State of South Carolina will celebrate the two hundredth anniversary of the birth of Gen. Thomas Sumter, famous hero of the Revolutionary War, a distinguished citizen of South Carolina, and one of the founders of Sumter County, for which the city of Sumter is the seat.

Sumter is known as the "Gamecock City" of South Carolina, this appellation being taken from the nom-de-guerre bestowed upon General Sumter by his fellow patriots, and it was on account of his indomitable spirit and perseverance that he held the hearts of the early settlers and was able to keep alive the spark of patriotism in them in the face of difficulties and discouragements.

With a force outnumbered, ill equipped, and at times half-starved, he gave battle again and again to the well-treated British dragoons.

By continually cutting off the source of the supplies of the British, intercepting their lines of communication, and scattering his own few men over wider areas, causing the enemy to believe that he had a much larger army, he was thus able to route them out at times with a handful of troops.

British forces under Tarleton burned General Sumter's home, and he became so enraged that he never rested until the enemy was practically driven out of the country.

It is recognized by many students of history that General Sumter's successful battles and peculiar methods of warfare turned the tide that finally resulted in the surrender of Cornwallis at Yorktown. General Cornwallis' estimate of Sumter is shown in his remark, when it was erroneously reported to him that Sumter had been killed in battle. He declared that he rejoiced to be rid of the "greatest plague in the country."

Even after the British had invaded the entire State and the American cause was at low ebb, General Sumter was not to be discouraged, and time after time recruited forces among the backwoodsmen and gave battle to the invader in his own peculiar way, methods not understood by the British, and often took them by complete surprise.

He was born in Virginia on August 14, 1734. His education was largely in the Army and on the field of battle.

He probably served with Gen. George Washington in the Virginia Provincial troops, and was with him when he saved the British troops from annihiliation at the defeat of Braddock.

He came south with the Virginia troops sent to aid in the war of 1761. So well did he serve that at the close of the war he was sent with Lieutenant Timberlake to accompany Otacite and two other Cherokee chiefs in their visit

to England. Although the Cherokees requested this trip, they were probably sent to impress them with the helplessness of ever fighting against the British.

After this memorable trip Sumter returned with these Indians to Charleston in 1763, and from there back to the towns of the Cherokees. While there he seized, almost single-handed, the notable French emissary and spy, Baron de Johns, who was fomenting trouble among the Indians, and carried him a prisoner to Charleston.

He then settled in South Carolina on the Santee River, and when the Revolution started he was living there as a planter and trader.

He served as adjutant general in the Snow campaign against the Tories in November 1775.

In February 1776, with the rank of lieutenant colonel, he was put in command of one of the two rifle regiments raised for service.

He served with credit in defense of Fort Sullivan against the British attack in June 1776, protecting the fort from the land attack made by the enemy.

As colonel of the Sixth South Carolina Regiment he served with the Continental troops until 1778.

Then, because of illness in his family, he resigned and returned to his home at Stateburg. (Stateburg is on rural route no. 3, eminating from Sumter, S.C.)

When Charleston fell in the spring 1780 and all the Continental troops in South Carolina were captured, he was at home.

Bloody Tarleton, pursuing Bredford, went out of his way to burn Sumter's home at Stateburg before he overtook and butchered Buford's men. Sumter, concealed in the neighboring forest, saw his home destroyed, and raging like a lion went into North Carolina and offered his sword to Governor Rutledge, who had taken refuge there. His offer was accepted, and he raised his standard on Clews Creek in the Waxhaws and there called for volunteers.

The Scotch-Irish of that section, maddened by Tarleton's cruelty, flocked to Sumter's standard. These men were neither regular nor militia. They were mounted volunteers fighting for liberty and to avenge wrongs. Of them Sumter later wrote:

> These men, mounted and equipped as light dragoons, are as serviceable as the best upon the Continent. The men I think preferable to any I ever saw.

With these men he introduced a new method of fighting. He first practiced these raids in the rear of an enemy, destroying his supplies and severing his lines of communication. This method was in the Civil War carried out with brilliant success by Forrest and other notable partisan leaders.

Sumter made five of these raids or campaigns within a period of 15 months.

The first was a brilliant effort to aid Gates, then marching south from North Carolina, and to harass Cornwallis. He defeated Huck at Williams Plantation; assailed Rocky Mount, but was beaten off for lack of artillery; and then captured the larger part of the post at Hanging Rock with a large quantity of supplies. Moving west and south beyond the Wateree River, he captured Carys Fort, south of Camden, and there seized a large convoy of troops with a large supply of food and munitions.

Having then cut Cornwallis' line of supply, he moved off leisurely, encumbered with his captured stores and prisoners. He invaded Turnbull and Ferguson, pursuing him after Gates' defeat, but was overtaken by Tarleton and defeated at Fishing Creek. After this disaster he rapidly gathered together his scattered troops at the old camps on Clews Creek. From here he sent them to take part in the brilliant victory of King's Mountain, though he himself did not take part in the battle. At that time he was made a brigadier general, and until the close of the war was the ranking South Carolina officer, and all other South Carolina officers and men were under him.

His second raid was in November 1780. Cornwallis was at Winnsboro, and Sumter began to move around him from the north. He defeated Wemyss, whom Cornwallis had sent against him, at Fishdam Ford, capturing the leader and cutting to pieces his entire force. Cornwallis then sent the brilliant but bloody Tarleton to cut Sumter off, but at Blackstock the British were defeated with the loss of two-thirds of their troops, while the American loss was trivial. Sumter, however, was here severely wounded.

Sumter's third raid was in aid of General Green, who was moving toward Camden.

Sumter moved west and south between Rawdon, the British commander, and possible reinforcements from Ninety-six. He crossed in rapid succession the Catawba, the Broad, and the Saluda Rivers, and attacked Fort Graby, opposite the present site of Columbia. Rawdon moved to the aid of the fort and sought to cut off Sumter's retreat. The latter, however, instead of retreating as expected, returned the way he came, turned boldly south and toward the coast. He besieged Fort Motte, and near there captured a large train of supplies and its convoy. Again driven off by the approach of Rawdon, he moved down the Santee River and swam that river in flood with his entire force. On the north side of the river he attacked Fort Watson, but finding that post strongly reinforced he gave up the attack.

Moving north, Fraser sought to intercept him at Lynch's Creek, above the present site of Bishopville, but was defeated, and Sumter returned to his old camp. This was the most brilliant of all his campaigns.

His fourth raid was largely over the same ground. Moving around the British, he attacked and besieged Fort Granby. Leaving that surrounded and ready to surrender, he struck Fort Motte. From there he moved to Orangeburg, which he captured with a strong garrison and valuable supplies. His troops in this raid went south as far as Dorchester, at the very gates of Charleston, and alarmed the garrison of that city.

In July 1781 he made his fifth and last raid. He sent Light Horse Harry Lee, who had joined him, on Charleston by the Orangeburg-Dorchester Road. Wade Hampton moved down the Nelson's Ferry Road. Marion was to strike the British flank and rear by Quinby's Bridge, cutting off and capturing the British that had moved out from Charleston. Both Lee and Hampton carried out brilliantly their part of the attack, but for reasons that cannot here be discussed for lack of space, Marion failed, and the British escaped into Charleston.

Sumter resigned from the Army in December 1781 and began his illustrious career as a legislator.

He served ably in the Legislature of South Carolina for several years.

He served with distinction several terms in the Continental Congress.

He was a member of the Constitutional Convention of 1790.

He was United States Senator from South Carolina from 1801 to 1810, and of him there, John Randolph, of Roanoke, Va., said that if he came in suddenly while a vote was being taken, and saw how Sumter voted, he could follow him and be sure that he made no mistake.

A brilliant soldier, who, more than any other, was instrumental in throwing off the yoke of Britain, a safe statesman and a popular hero, he should not be forgotten by his State and Nation.

The tomb of General Sumter is located in this county at his old home on rural route no. 3, emanating from this post office, and several miles west of the city.

The late President Theodore Roosevelt sent a detachment of United States troops and a military band here at the unveiling of a monument erected by the General Assembly of South Carolina in honor of General Sumter in 1907.

Inscriptions on his monument are:

"He came to South Carolina about 1760 and was in the Indian service on the frontier for several years before settling as a planter in this vicinity. Commandant Sixth Regiment South Carolina Line, Continental Establishment, 1776–80. Brigadier General South Carolina Militia, 1780–82.

Member of the Continental Congress, 1783–84. Member of United States Congress, 1789–93, 1797–1801. United States Senator, 1801–10.

"Erected by the General Assembly of South Carolina, 1907.

"This stone marks the grave of one of South Carolina's most distinguished citizens, Gen. Thomas Sumter, one of the founders of the Republic; born in Virginia on August 14, 1734; died June 1, 1832."

On a bronze plate attached to monument:

"To Gen. Thomas Sumter, who fought so gloriously for the liberty of the United States. In remembrance of his two grandsons, Charles and Etienne de Fontenay, who fought so heroically and died so nobly for the liberty of France in 1916.

"Hommage du Viconte de Fontenay, Ambassador to France.

"Tanto Nomini Nullum Par Elocium."

VETERANS' NATIONAL CONFERENCE

Mr. FOULKES. Mr. Speaker, as a consistent supporter of legislation for the benefit of the veterans, I wish to call attention to the national conference of representatives of all veterans' organizations and their units to be held in Washington during the month of October.

Such a convention, in my judgment, is a very proper and appropriate step, since it affords an opportunity for the veterans to formulate a uniform policy on public matters. Like many other friends of the ex-service men, I have sometimes been puzzled what course to pursue, since one group was advocating one policy, another group advocating something else, and so on. Getting together and formulating a program which can be supported by all groups is a sensible and practical move.

The call for the convention, as issued by Doak E. Carter, chairman of the national veterans' conference committee of Victory Post, No. 4, the American Legion, Department of the District of Columbia, states that the gathering will be for the purpose of—

Indoctrinating all of the World War and Spanish-American War veterans, regardless of their veteran-organization affiliation, with the spirit of cooperation and coordination of veterans' objectives, thereby affording 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.

PUBLIC LANDS IN CALIFORNIA SOLD UNDER FRAUDULENT, WORTHLESS CLAIMS OF TITLE

Mr. McFADDEN. Mr. Speaker, thousands of innocent purchasers in California who are the helpless victims of the early Spanish and Mexican land grant swindlers are demanding protection from Congress in the form of an act authorizing the conveyance to them of the fee-simple title to the lands purchased in good faith under grant deeds—quitclaims—and so-called "title-insurance policies", which, in fact, do not insure against "action by the Government."

The banks of California are loaded with "frozen assets", a large majority of which are invalid and valueless because the collateral consists of mortgages, trust deeds, bonds, contracts of purchase, and so forth, on these lands which are, in fact, still a part of that great trusteeship, the public domain. Proof of this is to be found in the records of the United States courts, the United States Land Office, and other Government archives. These are facts one must face. To deny and try to ignore them indicates either insincerity or ignorance. (See reports of the Commissioner General of the General Land Office for the years 1885–87.)

A CONCRETE CASE

"Duly asserted", though totally invalid, claims of titles to California mission lands, such as "Rancho ex-mission de San Fernando" and "Rancho ex-mission Soledad", have no existence in fact and were, and are, prohibited by law. The official records which are now available prove this beyond a question of doubt. (Certified transcripts or abstracts of the proceedings in re these cases are now in possession of the California homesteaders.) See the decision of the United States Supreme Court (1 Wall. 754 and 766) and many other cases cited herein which prove this.

PUBLIC LANDS CONTROLLED BY CONGRESS

Congress retained control of the California mission lands, through section 16 of the act of March 3, 1851, thus preventing and prohibiting any such thing as confirmation of titles or conveyance of titles to such lands except as a part of that great trusteeship, the public domain, title to which could and can only be acquired under the land laws of the United States which "were extended over it by Congress for disposition and sale, excepting certain grants made therein by Spanish and Mexican authorities" (p. 134, The Public Domain, 1880). Since the official records show no valid conveyance of title to any individual for such lands and since the Government of Mexico certifies that no record of any such grants exists in the archives of Mexico, and since the Supreme Court of the United States has many times ruled that without such record the claim of ownership cannot be sustained, then it is evident that the present possessors of such lands must appeal to Congress for such equitable relief as will meet its approval.

SQUATTERS' CLAIM OR COLOR OF TITLE

Those in possession of such lands today have no legal title, and illegal possession of land will not defeat the right of another to enter the same under the Homestead Law Decisions (Dept. Int., vol. 1 to 40, pt. 1, p. 206, par. 103); and even when the application is rejected by the Land Office the applicant (homesteader) for land covered by a so-called "grant patent" has recourse to the courts to vacate the void judgment or patent and to quit title in the said applicant (p. 407, ibid.), as has been done and is being done by the California homesteaders. Where such patent has issued contrary to law or without jurisdiction, it is void, a nullity, and no protection to a purchaser under it; and according to the decisions of the Interior Department (pp. 402–490), the lands for which the California homesteaders have filed application should not even require an order of court to set aside said patent in order to appropriate the land under the homestead law. We here pause to ask, Why should Mr. Wheeler and his California homesteaders be charged with fraud for trying to protect their interests in connection with the contest to win for themselves a tract of valuable land on which to make their home and from which they have reason to believe they can derive a decent living?

SPECIAL ACT PASSED TO PROTECT RECORD OWNERS

Under the special act of Congress, December 22, 1928 (45 Stat. 1069) the record owner of 160 acres or less may receive a patent (fee title) to lands held by him under claim or color of title, providing there is no conflicting, adverse claim (such as homestead claims), but this does not seem to protect the large landholder. A rejection of an application for homestead by the United States Land Office does not prove a valid title in the present possessor, nor does it indicate that the homestead applicant will not receive a patent for the land through an order of court, providing the said applicant does not neglect to protect his interests through civil suits as authorized by law. Does Congress dare sit idle and refuse relief to millions of such citizens because a few land speculators in California seek to hide their guilt behind false charges of fraud against a homesteader? Such charges are merely a red herring across their own corrupt trail and it is high time such corruptions and scandals were ended.

STATUTE OF LIMITATIONS

The statute of limitations, March 3, 1891, is a special act of Congress, applicable only to patents of conveyance issued under the public land laws and has no bearing on "patents of convenience" issued under the special act of March 3, 1851, dealing exclusively with Spanish or Mexican grants (see cases cited), and in any event the statute of limitations does not run against the sovereign, and as against it titles to land cannot be acquired by adverse possession regardless of length of such possession (6 Pet. 66; 13 Wall. 92). Therefore, it is evident that time alone has not cured the situation.

"PATENTS OF CONVENIENCE"

A patent of conveyance, according to the court in *McCarty* v. *Helbing* (144 Pac. 499), conveys to the patentee "the legal fee-simple title to public lands." This sort of patent could not be granted on lands the title to which had been conveyed by a prior sovereign, as in the case of a valid title from either Spain or Mexico, whereas a "patent of convenience", such as one finds of record in connection with many of the "duly asserted" Spanish or Mexican grants throughout the State of California, is "void as evidence of title" (*Tapia* v. *Williams*, 172 Ala. and 54 So. 612). And in this connection it is well to remember that "nothing passes title to public lands but a patent" (of conveyance). (See *United States* v. *Fitzgerald*, 15 Pet. 407.) Therefore, as stated by the court in Texas against White, "the land pretended to be conveyed by it (a 'patent of convenience') was still subject to location" (meaning homestead location), and the court further held in *Wilson* v. *Mason* (1 Cr. Pg. 45) that "Wilson (the homesteader) or any other person (meaning any other applicant for homestead) might lawfully appropriate the land * * *." This is what has been done on several valuable tracts of land in California by the California homesteaders, and this is why the racketeers have heaped slander and vicious persecutions on Mr. Wheeler and his California homesteaders.

RACKETEERS

The gentleman from California [Mr. EVANS] referred to the conflict in California, which has been raging for many years over California land titles and fraudulent Mexican land grants. The gentleman referred to the confirmation of these claims by the Land Commission of 1851, and stated that such confirmations have become res judicata, but the fact of the matter is that by the act of Congress of August 31, 1852, the Land Commission was deprived of its status of a judicial body and became a mere fact-finding body whose duties were no longer judicial, and whose decisions were not final, and by section 16 of the act of Congress, March 3, 1851, the missions of California were set aside to be dealt with by Congress and not by the Commission. This matter has never as yet been thoroughly gone into by Congress, and the official records show that there has never been any actual conveyance of the fee title to any individual covering the lands within many of these so-called "land grants." Proof of this fact is available to the Land Committee at this time, in the form of certified United States court records, and since the gentleman from California has brought the matter up on the floor of this House it seems in order to point out several discrepancies in the gentleman's statement, which would seem to indicate that the gentleman has been misinformed as to the facts. The following will serve to direct the attention of this House to the real facts of the case.

Referring to the Los Angeles Times article, on which the gentleman rested his case: "The Edmonds bill would not end the racket, but would continue it." The truth of the matter is, the bill provides for the closing to entry of all these involved lands and it further provides that all claims of homesteaders shall be cleared up within a period of 1 year, or at the end of that time they are wiped out. H.R. 8496 provides for the issuing of a valid patent by the United States to present landholders, which patent would convey the Government's title to the individual. This would seem to be a most legitimate, definite, and final termination of this whole vexatious problem which has upset land values and interfered with the orderly procedure of real estate and financial transactions for the last 50 or 60 years because of the lack of title. The truth is the racketeers of California are opposed to these bills becoming law because they would put an end to the grant racket in California and expose those who are guilty of maintaining it, and a hearing will show who is guilty of fraud and misrepresentation.

THE UNITED STATES ATTORNEY

The news article submitted by the gentleman from California quotes the United States attorney as saying that "the title originating in the Spanish-Mexican land grants has been many times affirmed by the courts as a good and valid title." But the United States attorney failed to tell all the truth; and when one realizes that "a little knowledge is a dangerous thing", and that a half truth is subversive of the whole truth, it is time to ascertain the whole truth, which is that the United States Supreme Court has ruled on a great many of these California grant titles to the effect that they were totally invalid, such as the valuable mission tract just east of the city of Los Angeles; the case of *United States* v. *Workman* (17 L.ed. 754) in which the Court said "the Governor did not have the power to make the grant", and ordered the land back to the Government. This land was homesteaded similar to the present homestead claims on the lands formerly claimed by the mission of San Fernando, which case has never as yet been before the United States Supreme Court as to the validity of the homesteader's claims nor as to the question of whether or not there has ever been a valid fee-simple title conveyed by either the United States or any previous sovereign. H.R. 8496 would obviate the necessity for eviction from such lands of the present claimants if and when the case would go before the Supreme Court of the United States on the same set of facts and laws as the various other similar cases have and be decided in favor of the Government or homesteaders as in the previous cases. An allegation that the courts have settled it opens the door for a proper hearing on the matter to give the United States attorney an opportunity to submit proof of his statements. Mr. Wheeler has submitted proof and citations and is ready to prove in a hearing that these allegations are futile and that, in fact, these lands still belong to the Government as trustee and are subject to homestead. A hearing is now necessary to prevent this House from being charged with bad faith.

The mere fact that the applications for homesteads were rejected by the United States Land Office, and finally by the Secretary of the Interior, does not prove that the present claimants in possession of these lands have valid titles, nor does it prove that eventually the California homesteaders would not win an order for delivery of the lands to them from the Supreme Court of the United States, as happened in the Workman case. I am informed they have filed, and are preparing to file, several civil suits to bring this about. One such case, now in the United States Circuit Court of Appeals for the ninth circuit, case no. 7272, is a very good example. A brief on this case, handed me by Mr. Wheeler, gives a very clear, concise picture of the situation, and I feel sure that when the Public Lands Committee of this House proceeds with a proper and thorough hearing on the matter they will discover that not only is H.R. 8496 a necessary piece of legislation, but that it is fair and equitable, and protects the interests of the Government as well as all of the parties concerned.

INDICTMENTS

It is true that Mr. Wheeler was indicted four times with a total of, I believe, 176 counts of fraud and was acquitted of all but count 18 of one indictment. Count 18 was the mailing of this booklet entitled, "The Betrayers of the United States", a copy of which Mr. Wheeler sent to Franklin D. Roosevelt, receiving reply dated May 28, 1932, which I quote later on. Evidently Mr. Wheeler's exposé of conditions regarding California land titles struck a responsive chord in the mind of Franklin D. Roosevelt at that time.

It is true that W. S. Summers, one of Mr. Wheeler's lawyers in California, was convicted of evading the income tax to an amount of some $200, I believe, and upon being sentenced was admonished by the court not to have anything further to do with the protection of his client's interests in connection with the homesteading of these lands in California. Is it customary for the court to forbid an attorney to protect his client's interests? And what has this to do with Mr. Wheeler or the question involved in H.R. 8496? This is a far cry from the evasions of income tax by the big racketeers who are opposed to the homestead movement in California.

It is true that Mr. Wheeler and a group of responsible, influential business men of California in 1931 organized the

homesteaders into mutual protection associations to carry on the contest to acquire their homesteads, partly as a result of letters they received at that time from Senators NYE and GEORGE, and others. The letter from Senator GEORGE perhaps indicated to the minds of Mr. Wheeler and his associates that a compromise settlement might be worked out to benefit the homesteaders. Thereupon Mr. Wheeler and several other homesteaders proceeded with their organizations and retained the services of several new lawyers in addition to their previous counsel (Mr. Summers) and have acted upon the advice of these lawyers. They filed certain civil actions in the Federal courts of California to protect their rights. Is this indication of fraud? Mr. Wheeler acted in the capacity of secretary or business manager without any salary or commission, using only such funds as were necessary for his personal and traveling expenses, and so forth. Does this indicate fraud? The question arises, Mr. Speaker, wherein was there any fraud, scheme to defraud, or possible intent to defraud, in acting under legal advice to protect their interests? In this connection we ask, Who are the racketeers in California, anyway?

Mr. Wheeler has assured the gentleman from Pennsylvania [Mr. EDMONDS] that he was anxious to submit to the Public Lands Committee of this House certified Federal court records, and other similar evidence, to prove the necessity for and the advantages of H.R. 8495 and H.R. 8496, from which the Government, the present landholders, the title abstract companies, and the California homesteaders, would all derive a fair and equitable benefit. Perhaps a hearing will show who are the real racketeers in California, and expose their conspiracy against the California homesteaders and the Government, in which our courts, as well as the Interior and Justice Departments have been wrongfully used to persecute innocent citizens who had the courage to demand their rights under the law of the land to homestead 160 acres of unappropriated public land.

This brings up the question as to just what is "unappropriated public land." We quote from the Digest of Decisions of the Interior Department, 1913, page 505:

Par. 122. Circulars of April 5 and July 19, 1883.—1–683, 684; 2–640.

Par. 123. Circular of January 18, 1907, under act of February 25, 1885, relating to unlawful occupancy.—36–142.

Par. 124. It is illegal to fence a large tract of public land and to attempt to exclude settlers from it.—2–178; 4–392.

Par. 125. Persons desiring to become bona fide settlers may tear down the fences illegally surrounding such tracts.—2–638.

Par. 126. Injunctions will lie in the courts for unlawfully fencing the public lands.—2–798.

Par. 127. The enclosure of any portion of, is illegal unless made with a bona fide intent to claim the same under the public-land laws.—13–702.

Par. 128. An illegal enclosure is no bar to the acquisition of a settlement right.—13–702.

Par. 129. Unauthorized enclosure is not an appropriation under which any right can be secured.—29–363.

These cases in California come within the meaning of the above decisions. It is certain that no Government and no political party can long survive that does not clean up this outrageous situation in California, especially when the public becomes aroused to the facts, as is the case now.

SOURCE OF TITLE

The speech of the gentleman from California [Mr. EVANS] on the floor of the House April 26, 1934, tended to convey the impression that the United States Supreme Court had upheld all California land titles. However, the court stated that, if the parties claiming such lands had any title at all its source was either Spain or Mexico, and not the United States. (See *United States* v. *Moreno.*) The court also decreed that unless an alleged or "duly asserted" grant was properly recorded in the archives of Mexico it would not be valid nor would a claim of title be valid based only on a "duly asserted" but unrecorded Mexican grant. Nor could such claim of title prevent a homestead entry in any such grant. Then it is evident that H.R. 8496 is vital to the best interests of the majority of the citizens of California, as well as investors who reside in Pennsylvania or any other place. The following article is from the same newspaper from which the gentleman from California recently quoted the vicious charges against Mr. Wheeler and his associates, who today are persecuted for believing and printing the same things the Times printed in 1895:

[From the Los Angeles Times, Feb. 22, 1895]

CALIFORNIA LAND SURVEYS—ARGUMENT FOR THE TORRENS SYSTEM

In the several articles that have been published upon the Torrens land-transfer system, and its application to California lands, the following points have been developed:

First. Frauds were committed by the United States officials in patenting lands for which there was no basis of title from the Mexican Government.

Second. The interests of heirs and other third parties which were expressly excepted from the operation of the patents have for the most part not been adjudicated.

Third. Surveys were extended to include lands that were outside of those confirmed by the commission and the courts. The aggregate of these improperly included lands in Southern California is estimated to be not less than 850,000 acres. This is land the claimants themselves never asked for. Their wrongful inclusion in the survey was the act of the surveyor.

Fourth. The decrees of the commission and the courts vested whatever title the United States had in and to certain specified tracts of land, defined by certain boundaries, but in making the survey for the patent other and different lands were frequently surveyed.

Fifth. Different sets of monuments have been placed upon the ground purporting to mark the same station or corner.

Sixth. Conveyances have been and are continually being made in which lands are described by monuments and stations of Government surveys, some of which have never been in existence, and some of which have been moved by private parties from their original positions to different and distant places. One of the effects of this shifting of monuments was to cause error in the work of surveyors in subdividing Government lands adjoining rancho lines. The surveyor making the subdivision surveys found the monuments in different positions from those reported in the survey of the rancho lines, but did not stop to ascertain how they came to be so. He reported them as he found them, and his report was approved. By this means new lines, as they now appear upon the township plats, were established, and these new lines become the official boundaries of the ranchos and take the place of those defined in the patent. As the subdivision surveyor was not permitted to go outside of the township he was instructed to survey, the effect of his work was to inject one or more new lines into the patent description of the ranchos, and thus to create errors in them which are greater than those that in the laws and instructions governing patent surveys are termed "permissible errors of misclosure", and errors greater than these would invalidate the patent survey. As the subdivisions adjoining the ranchos as defined by these new lines have been patented, it follows that there are conflicts between these and the rancho patents. To searchers of titles thereabouts, these conflicts seem never to have been known.

Seventh. Under the statutes it requires 5 years' consecutive payment of taxes to give title by possession. But in many cases taxes are being paid in whole or in part, on lands other than those in possession, thus defeating the acquisition of title by possession. * * *

Mr. Speaker, does this sound like the subject was res judicata in 1895? Certainly not, and it is not res judicata now and never will be until it is settled right by an act of Congress. Public policy demands it. This question of public policy is a pertinent one at this time, and is one of the reasons why the California homesteaders decided to sponsor legislation to settle this land-title question in California, after consulting with several reliable lawyers on the subject in order to be sure of their rights and how to protect them.

Mr. Wheeler was indicted, convicted, and sentenced to 5 years in prison for the crime of depending on such legal opinions and proceeding in accord therewith. Is this justice? I think not. In fact, it will only add fuel to the fires of public distrust of our Federal Government unless it is promptly corrected. I understand Mr. Wheeler is very confident the higher courts will reverse his conviction and also that the civil cases instituted by his lawyers will eventually be decided in line with the many precedents as shown in this list of cases which I wish to insert in the RECORD at this time. This will give the California homesteaders the land itself unless Congress acts to protect the present "record owners" through H.R. 8496 or some similar relief.

For the information of those gentlemen of the House who really desire to know whether or not the courts have considered the subject matter of these bills a racket, or res judicata, and so that the Members may have before them the dictum of the courts on this question, I wish to insert in the RECORD the following list of court decisions dealing with this question both pro and con.

In some of the following cases Mexican titles were held to be valid on the evidence presented; some were held to be invalid:

United States v. *Sutter*, 21 H. 170; *Gonzales* v. *United States*, 22 H. 161; *U.S.* v. *Pacheco*, ibid. 225; *U.S.* v. *DeHaro*, ibid. 293; *U.S.* v. *Alviso*, 23 H. 318; *U.S.* v. *Castellero*, ibid. 464; *U.S.* v. *Bereyess*, ibid. 499; *U.S.* v. *Vallejo*, 1 Bl. 283; *U.S.* v. *Moreno*, 1 Wall. 400; *U.S.* v. *Yorba*, ibid. 412; *Rodreguez* v. *United States*, ibid. 582; *U.S.* v. *Yount*, Hoff.L.Cas. 49; *U.S.* v. *Bernal*, ibid. 50; *Mesa* v. *U.S.*, ibid. 66; *Feliz* v. *U.S.*, ibid. 69; *U.S.* v. *Greer*, ibid. 72; *Castro* v. *U.S.*, ibid. 72; *U.S* v. *Sunal*, ibid. 74; *U.S.* v. *Reid*, ibid. 74; *U.S.* v. *Larkin*, ibid. 75; *U.S.* v. *Amador*, ibid. 76; *U.S.* v. *Murphy*, ibid. 77; *U.S.* v. *Horrell*, ibid. 78; *U.S.* v. *Pacheco*, ibid. 79; *U.S.* v. *Thompson*, ibid. 79; *U.S.* v. *Page*, ibid. 80; *U.S.* v. *Murphy*, ibid. 81; *U.S.* v. *Thomes*, ibid. 82; *U.S.* v. *Rodriguez*, ibid. 82; *U.S.* v. *Thomes*, ibid. 83; *U.S.* v. *Wilson*, ibid. 84; *Brackett* v. *U.S.*, ibid. 84; *U.S.* v. *Cambuston*, ibid. 86; *U.S.* v. *Dana*, ibid. 87; *Dana* v. *U.S.*, ibid 87; *U.S.* v. *Peralta*, ibid. 89; *U.S.* v. *Cazares*, ibid. 90; *U.S.* v. *Bale*, ibid. 92; *U.S.* v. *Guerrero*, ibid. 94; *U.S.* v. *Carrillo*, ibid. 96; *U.S.* v. *Palomares*, ibid. 97; *DeZaldo* v. *U.S.*, ibid. 98; *U.S.* v. *Berreyesa*, ibid. 99; *U.S.* v. *Bernal*, ibid. 99; *U.S.* v. *Cooper*, ibid. 101; *U.S.* v. *Moraga*, ibid. 103; *United States* v. *Castro*, ibid. 105; *Grimes* v. *U.S.*, ibid. 107; *U.S.* v. *Boggs*, ibid. 109; *U.S.* v. *Sunol*, ibid. 110; *U.S.* v. *Briones*, ibid. 111; *U.S.* v *Leese*, ibid. 124; *U.S.* v. *Castro*, ibid. 125; *U.S.* v. *Throckmorton*, 98 U.S. 61; *U.S.* v. *Arredondo*, 6 Pet. 709, 8 L.Ed. 574; *U.S.* v. *Reid*, ibid. 129; *U.S.* v. *Ortega*, ibid. 135; *U.S.* v. *Grimes*, ibid. 137; *U.S.* v. *Payson*, ibid. 138; *U.S.* v. *Bernal*, ibid. 139; *U.S.* v. *Pope*, ibid. 141; *Martin* v. *U.S.*, ibid. 146; *U.S.* v. *Stevenson*, ibid. 156; *U.S.* v. *Rico*, ibid. 161; *U.S.* v. *Rodriguez*, ibid. 170; *U.S.* v. *Sheldon*, ibid. 171; *U.S.* v. *Pico*, ibid. 172; *McKee* v. *U.S.*, ibid. 173; *Vallejo* v. *U.S.*, ibid. 174; *Rodriguez* v. *U.S.*, ibid. 175; *U.S.* v. *Alvisa*, ibid. 176; *U.S.* v. *Soto*, ibid. 177; *U.S.* v. *Sota*, ibid. 182.

The following cases were held to be invalid claims to Mexican land grants, and the lands in some cases were homesteaded as is being done now:

United States v. *Sutter*, 21 H. 171; *U.S.* v. *Nye*, ibid. 408; *U.S.* v. *Bassett*, ibid. 412, Hoff.L.Cas. 112; *U.S.* v. *Calbraith*, 22 Hoff. 89; *U.S.* v. *Teschmaker*, ibid. 392; *U.S.* v. *Pico*, 22 H. 406; *U.S.* v. *Vallejo*, 22 H. 416, Hoff.L.Cas. 188; *Fuentes* v. *U.S.*, 22 H. 443; *U.S.* v. *Bennitz*, 23 H. 255, Hoff.L.Cas. 104; *U.S.* v. *Rose*, 23 H. 262, Hoff.L.Cas. 197; *U.S.* v. *Osio*, 23 H. 273, Hoff.L.Cas. 100; *U.S.* v. *Pico*, 23 H. 321, Hoff.L.Cas. 279; *U.S.* v. *Bolton*, 23 H. 341; *U.S.* v. *Murphy*, ibid, 476, Hoff.L.Cas. 154; *Luco* v *U.S.*, 23 H. 515, Hoff.L.Cas. 345; *Palmer* v. *U.S.*, 24 H. 125; *U.S.* v. *Chana*, 24 H. 131; *U.S.* v. *Castro*, 24 H. 346; *U.S.* v. *Hensley*, I Bl. 35; *U.S.* v. *McKnight*, ibid. 227; *U.S.* v. *Neleigh*, ibid. 298; *U.S.* v. *Vallejo*, ibid. 541; *U.S.* v. *Castillero*, 2 Bl. 17; *U.S.* v. *Galbraith*, ibid. 394; *U.S.* v. *Chaboya*, ibid. 593; *White* v. *U.S.*, 1 Wall. 600; *U.S.* v. *Workman*, ibid. 754; *U.S.* v. *Jones*, ibid. 766; *Swat* v. *U.S.*, Hoff.L.Cas. 231; *Palmer* v. *U.S.*, ibid. 249; *Redman* v. *U.S.*, ibid 305; *Larkin* v. *U.S.*, ibid. 313; *Little* v. *U.S.*, ibid. 325; *U.S.* v. *Limantour*, ibid. 389; *Fuentes* v. *U.S.*, 22 L.ed. 443.

See also *Lindsay* v. *Miller*, 6 Pet. 66; *Gibson* v *Chautteau*, 13 Wall 92, 199, Pac. 688, 209 Pac. 900; *U.S.* v. *Throckmorton*, 98 U.S. 61; *U.S. v. Arredondo*, 6 Pet. 709, 8. L.ed. 574.

The above decisions substantiate the contentions of the California homesteaders, and a mere attitude of contempt for the law and these decisions will benefit no one, for the truth will out, and the California homesteaders will increase their efforts until justice is accorded them.

Mr. Speaker, in connection with this matter, I quote two letters addressed to Mr. H. N. Wheeler, Los Angeles, Calif., dated March 3, and May 28, 1932, by Hon. Franklin D. Roosevelt, then Governor of the State of New York, as follows:

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, March 3, 1932.

H. N. WHEELER, Esq.,
Citizens Land Association, 1209 Broadway,
Arcade Building, Los Angeles, Calif.

MY DEAR MR. WHEELER: I have your letter of February 23 and I suppose the easiest thing to do is to be perfectly frank with you and tell you that I know practically nothing about pending questions affecting the rights of citizens who have filed homesteads on the public domain. I have had nothing to do with the question of the public domain since I was in the Navy Department many years ago. I do not know what the present situation is. All I can tell you is this: That if the United States Government encouraged citizens to file by holding out that they would secure good title, I should say there is a moral obligation in the Government to get them a good title.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, May 28, 1932.

Mr. H. N. WHEELER,
Citizens Land Association, 1209 Broadway,
Arcade Building, Los Angeles, Calif.

DEAR MR. WHEELER: Just a line to thank you for sending me your booklet entitled "The Betrayers of the United States." I can see from a casual glance that this contains much interesting material and I am planning to study it more thoroughly as soon as I catch up with the mass of detail which I find awaiting me on my return to Albany. Let me also assure you that I appreciate your friendly comments on my last letter and your good wishes for the future.

Yours very sincerely,

FRANKLIN D. ROOSEVELT.

A WAY OUT FOR THE FARMER

Mr. MARTIN of Colorado. Mr. Speaker, in the campaign of 2 years ago I issued a campaign pamphlet bearing the following statement:

This country is mortgaged for more than it would bring under the hammer. We slave merely to pay the interest. Can the principal ever be paid? It is becoming recognized that Europe can never pay. Look closer home.

As originally written, the above question was an affirmation, the bald statement that "the principal can never be paid." The advice of a judicious friend was responsible for the change.

The question has been answered. The answer has been written into the legislation of the Seventy-third Congress. The answer is a legislative recognition of the fact that these debts can never be paid.

The legislation provides a way out, embodied in a number of acts of the Seventy-third Congress. These acts all have the same grim caption: "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States.'"

The Seventy-third Congress has passed acts to enable all the corporations in the United States, all the railroads in the United States, and all the municipalities in the United States to go through bankruptcy, to scale down their debts to a figure which may possibly be paid.

The Congress at the special session also passed an act to enable farmers to avail themselves of the bankruptcy laws. It was recognized that agriculture, having become impoverished through low prices in the so-called "prosperous era" prior to the panic of 1929, could not possibly be expected to pull out under the era of no prices which has prevailed since 1929, a process which has doubled or trebled what the farmer owes when measured by the price he gets for what he sells. But the act of 1933 required groups of farmers to join in bankruptcy petitions, and was found to be too cumbersome and has afforded no relief.

The bill before the House known as the "Frazier-Lemke bill" boils it down to the individual farmer. He can go through on his own. If he cannot go through because of refusal of creditors to accept the appraisals on his property and the corresponding scale down of his debts, he can get a 5-year moratorium on his debts and remain on the land for 5 years under a payment of reasonable rental, sharing meanwhile the common hope that by the end of 5 years we will be over the hill.

As one of the 145 Members of the House who signed the discharge petition on the Frazier-Lemke bill to refinance the farm-mortgage indebtedness of the country under the amortization plan at 3-percent payment of principal and interest per annum, I am glad to support and vote for this bill. It is by far the most beneficial farm-relief legislation to be passed by the Seventy-third Congress. It is essential if we are to prevent hundreds of thousands of farmers from being dispossessed of their homes or remaining on them by sufferance as tenants of the mortgagees. God save America from a farm tenantry. This would be the outstanding tragedy of American history. The tenant system is an ancient, inherited curse in any country. In this country it would mark our decline to the low standard of the Old World; it would be America on the down grade.

The Chairman of the Committee on Agriculture, the very able and clear-headed chairman of the committee, a man whose mind and heart are both right, Mr. MARVIN JONES, of Texas, has made a statement concerning this bill which deserves to be brought to the attention of every farmer in the United States. Mr. JONES said:

It is a well-thought-out bill * * * Someone who knows his business drafted the bill.

The authors of this bill, Senator FRAZIER and Representative LEMKE, of North Dakota, have been the outstanding

leaders on farm legislation in the Seventy-third Congress. The bill has the endorsement of the Farmers' Union and other farm organizations. Unquestionably its provisions will be availed of, especially in the hard-pressed agricultural States of the West. It will stay the hand of the executioner. It will give the farmer a chance to catch up. I have voted in this Congress for every bill designed to aid agriculture, and I am glad in the closing hours of the Congress to have the opportunity to vote for this bill.

LEGISLATION OF THE SEVENTY-THIRD CONGRESS

Mr. CROWE. Mr. Speaker, the Seventy-third Congress, including the special and the regular sessions, is one of the most important in the Nation's history. A tremendous amount of legislation changing much of the outgrown old order was necessary. We have changed from the oxcart and other modes of travel, which had been used for 2,000 years or more, to the automobile and airplane, but the same routine prevailed in government in many instances as had obtained for many years past.

The greatest signs of the break-down occurred in October 1929. The spiral continued downward until on March 4, 1933, when darkest gloom hung like a pall over the entire Nation. At this time a new leader appeared on the scene. It was the bright hope of the Nation and the world. Chaos abounded everywhere. Fourteen million unemployed. Thirty million farmers almost without exception in sorest straits. Practically all banks closed, and if the old order had continued longer, no one knows what might have happened in the Nation. A new deal was ushered in. Some carping critics, complaining, say that rugged individualism is being destroyed. My answer is, rugged individualism was practically destroyed, but under the new deal it is being again brought to play; and it is hoped, and the intention is, that young America can again bring into play its rugged individualism and receive the fruits of its labor.

The Seventy-third Congress will go down in history as the most active in American history. It has voted tremendous powers to the President. It has approved legislation so sweeping as to make a new course for the country. The House, while following the leadership of the President, nevertheless, on occasion, asserted its own rights; but for the most part, and very largely is it true, the wishes of the Chief Executive were granted. These wishes were, for the most part, desired by the American people.

The program of the White House was not alone adhered to by the Democratic Members of the Congress. Many Republican Members, putting country above party and above self, loyally supported many of the new-deal policies. Many of them, when returned to Congress this fall, as those Members in many cases will be, will no doubt continue to follow the leadership of the White House.

So much legislation in the interest of the public good, in the interest of business, in the interest of labor, in the interest of the farmer, the home owner, and in fact in the interest of the masses has been enacted that I will not attempt to go into detail on any of it, but in passing touch only a part of it.

Since unemployment was such a menace, elimination of sweatshops and child labor under the N.R.A. is one measure that comes in for a lot of credit. We cannot expect to have prosperity in this Nation with sweatshop labor paying only a minimum of what is necessary to sustain life and afford at least some few comforts of life. We cannot expect prosperity with small children working in factories, doing the work of a grown person of mature years, and yet receiving only a small pittance and in many cases only a few cents a day, the child taking the place of an adult, displacing labor and destroying the life and crushing the heart and soul of the child. This administration is worth its existence for that one act alone.

BANK INSURANCE

Banking laws have been greatly amended and approved. One of the most helpful things, particularly to the common, plain people, is the Federal Deposit Insurance Corporation, which has just been extended for an additional year, providing for insurance of $5,000 of bank deposits.

C.W.A.-P.W.A.

This administration struck out and charted a new course by its relief—its Civil Works and Public Works. Millions that were and had been in a starving condition for months and even years were given something to do and remunerated for same, thereby taking them off the direct dole. This also put money in circulation with which to help start the wheels of industry.

REGULATION OF SECURITIES

The National Securities Act and the stock-exchange laws are of much more value to the American people than many think. When you consider that billions of dollars have been extracted from the American investor, you realize the need of drastic yet fair and equitable laws along this line. When you consider that thousands, even millions, of widows and orphans, old men and women, helpless people, have been robbed of their life savings with worthless securities distributed through international bankers and bank exchanges onto a gullible public, it is time that such activities be curbed with and by drastic legislation. According to the Department of Commerce, between the years 1922 and 1932, $25,000,000,000 worth of securities were sold to the American investor which were worthless at the time they were sold. Understand, this amount did not prove to be worthless later on, but were worthless when sold—this according to the Department of Commerce, Washington, D.C.

FARM RELIEF

More farm-relief agencies have been created and real relief to farmers and legislation in their interest have been enacted in this Congress than in all preceding Congresses. It takes some time for this relief to take effect to its fullest extent, but it is getting well started, and as the months go by conditions among the farmers will continue to improve.

RAILROAD LABOR ACT

The Railroad Labor Act and other legislation of interest to railroad workmen are great accomplishments of this session of Congress. A pension to railroaders is one of the most needful things in this country, for after a railroad employee has worked at that line of work for 30 or more years he is entirely unfitted for any other line of work.

HOME LOAN CORPORATION

The Home Owners' Loan Corporation is doing a job and saving millions of homes. The reduction of interest was imperative. Lower rates of interest, I believe, will be had in future Congresses. The interest rates for both home owners and farmers have reached the breaking point, and in reality are nothing more than usurious. Accordingly, future reductions in the interest rates must be had if we are to secure and maintain a prosperous Nation.

LOANS TO INDUSTRIES

Another of the most important things of this session of Congress was the bill affording loans direct to industry. Under the R.F.C., large institutions, such as life-insurance companies, railroad companies, and banks, could secure financial assistance, which has proved a great boon to the Nation. This did not reach the small manufacturer and the small industrialist, who prior to the break-down were able to go to the local bank to borrow. Since the stringency in the money market there has been no place for this class of industry to go. This class, it may be pointed out, is the small factory in your town, the woodworking plant, the brickyard, the tile factory, and what not of the dozens of different kinds of small factories in yours and other towns—factories which employ from a few men up to a few hundred men, or maybe a few thousand men. Local banks have been compelled to call on these institutions to liquidate their loans. They took from them their working capital, and there was no place for them to go to secure assistance. Under the bill authorizing loans to industry, these small industrialists, thousands of them who have good, ample security and who have valuable assets, will be able to borrow money for working capital with which to operate their plants. This money, at least 80 percent of it, will go into pay rolls for labor and will be one of the greatest boosts to

the return of prosperity to the country of any one of the relief measures.

NATIONAL DEFENSE

The national defense of the country was not overlooked. Our Navy will be built to treaty limits and other lines of defense will be strengthened. It is stated by some of our best historians that the additional expense of $500,000,000 a year for 10 years preceding the World War, making a total of $5,000,000,000, would have put this Government in such strong position that our merchantmen and our ships of all kinds and nature would have commanded respect on the high seas, and we would not have been dragged into the World War. Our being dragged into the World War has cost and will have cost us before the last of the indebtedness has been paid, it is estimated, between fifty and a hundred billion dollars. That is to say, the cost—past, present, and future—of the World War will run some 10 to 20 times what it would have cost us to have had ample preparation. I say to the pacifist that none of us want war—far from it—but as long as you have dangerous characters living on your street and in your neighborhood it is far better and safer to have some means of protection in your home in case of attack and to let the bad actor in your neighborhood know, if necessary, that you will protect your home and fireside, rather than advise him that you would not attempt to protect your household. Adequate preparedness will help this peace-loving Nation to stay out of war.

CRIME PREVENTION

Crime-prevention laws looking to the wiping out of the great menace of kidnaping and bank banditry are a great step in the right direction. Another step which should be taken and will be taken is more drastic and stringent laws against alien law violators. The alien, the man who comes to this country and does not become an American citizen and who is a known gunman, racketeer, and bandit should be, as soon as caught, either placed behind bars for life or, if his crime is such as to warrant it, be given the death penalty. If it is not possible to do either of the above, then he should be forthwith deported. Laws along that line need to be stringent to rid ourselves of the undesirable aliens.

FOREIGN DEBTS

Only Finland of the foreign nations which owe us seemed to have integrity, honor, and honesty. Fourteen other nations defaulted with impunity. The Johnson Act is an act worth more than passing notice. That act bars any person in this country from lending any money to those countries under heavy penalties. Furthermore, Congress does not intend that any one of the defaulting countries use a promise to pay as bait in negotiations under the new tariff-bargaining law. One section reads: "Nothing in this act shall be construed to give any authority to compel or reduce in any manner any of the indebtedness of any foreign country to the United States." Furthermore, the President has been given authority under the tariff law to negotiate trade agreements with foreign countries for a period of 3 years. Europe has always gotten the best of the deal when any activities or programs were being worked out between Europe and the United States.

It is pointed out that our trade with Europe during the past 35 years has netted us some $22,000,000,000 of I O U's from Europe. In other words, it seems that Europe will buy our surplus, if we will furnish them the money to pay for it. The United States should clamp down further on Europe than they already have and should make it an out-and-out clean-cut business proposition, just like a merchant or banker would do. Put business into it. If no pay, no merchandise. If they will not pay their debts, refuse them credit. Make it a real business proposition.

As President Roosevelt says, "We are on our way", and much progress in recovery is already to be seen, and it is expected it will grow as the weeks and months go by. President Roosevelt is a great leader. The Seventy-third Congress was a great Congress. It was a Congress of people who worked, who figuratively put their shoulders to the wheel to help push the ship of state, and almost without exception the Members of both branches of Congress were anxious to do their duty as they saw it, and joined to help bring a return of prosperity and to promote the welfare of the Union.

RECOVERY WITH ROOSEVELT

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave to extend my remarks I include a radio address to be delivered by me, on invitation of the National Broadcasting Co., over a Nation-wide hook-up Thursday evening, June 21, 1934. In presenting me to the radio audience the N.B.C. announcer shall explain that I am serving my first term in Congress; that I am Congressman at large, representing the great State of Oklahoma, and that my home address is Oklahoma City; that I am a school teacher by profession and that in addition to making frequent lectures and radio addresses I write a column for 200 daily and weekly Oklahoma newspapers.

The radio address follows:

Good evening, my fellow Americans. We have completed the work of the Seventy-third Congress, in many respects the most important in the history of American Government. Much constructive legislation was enacted in the special session held during the early months of 1933, and a great deal more was added in the session that has now drawn to a close. Material aid has been extended for the relief of millions of our fellow citizens. We have lifted industry and agriculture from a condition of utter prostration. We have started on the road to recovery. The special session, lasting just 100 days, saw the beginning of the reconstruction, that must come if we are to avoid the destructive influences of the past. The work of the Seventy-third Congress was possible because of the close cooperation between the administration and the majority party of Congress, for all during both sessions "they stood every man in his place round about the camp and the enemy ran and cried and fled." You recall the basis for this Scripture just quoted. The children of Israel became so sinful that Jehovah allowed the Midianites, the Amalekites, and the people of the East to invade, conquer, and oppress His chosen people. For 7 years the Israelites were reduced to the greatest straits. They left their homes and fled for refuge to dens or holes which they cut out of the mountains, or to the limestone caves found all over Palestine. Serious havoc was wrought by the invading Midianites. The children of Israel were in dire plight. They were under bondage of a relentless enemy because of their own sins, disobedience, and idolatry. And then God called Gideon to deliver his people. An army was gathered together and sifted. Three hundred chosen men faced 135,000 soldiers, and with faith and confidence they routed the multitude and freed their country of the hated enemy because the 300 stood "every man in his place round about the camp and the enemy ran and cried and fled." When that 100 days' session of the Seventy-third Congress convened we were under bondage. We were in the hands of an enemy as relentless, as void of mercy, and as destructive as the enemy that harassed the children of Israel.

We were in the midst of the most terrible depression the American people had ever known.

Our domestic trade was stagnant, our foreign commerce was paralyzed, our factories were closed, our mines were shut down, and 10,000,000 idle men and women, who were willing, able, and anxious to work, were out of employment.

This condition existed with our land teeming with abundance, with more corn, more wheat, more cotton, more manufactured articles—more of almost everything necessary to sustain human life and contribute to human comforts than was ever known before in all the history of mankind, yet bread lines were stretching down the streets of our cities; men, women, and children from the best families of our country were forced to eat the bread of charity or beg from door to door—people who will not get the chill of humiliation out of their blood for two or three generations.

Our farmers, forced to sell their crops below the cost of production, corn for less than one-fourth its normal value, cotton for less than one-third, and wheat for the lowest figure in 500 years, saw their lands and stocks swept away for debts and their homes sold for taxes—debts that were contracted and taxes that were levied when their crops were bringing normal value, and which they had a moral right to pay with the same price dollars used at the time these obligations were incurred.

The depression was brought about and was being prolonged by a contraction of the currency, resulting in a violent contraction of credits which slowed almost to a standstill the circulation of the currency, instilled fear into our people, encouraged hoarding of money, and drove commodity prices to ruinous low levels.

A reasonable, limited, controlled expansion of the currency was necessary to break the panic or relieve the depression, raise commodity prices, restore the purchasing power of our farmers, start our factories, melt our bread lines, relieve unemployment, stimulate transportation, discourage hoarding, reexpand credits, restore price levels, and bring prosperity to the American people.

A great national emergency existed requiring immediate action and the restoration of national prices and productive income, the restoration of the purchasing power of our people, both agricultural and industrial, and the return to normal of the revenues of the United States Government as the true and best path to a balanced Budget.

This, ladies and gentlemen, was the condition that confronted the American people on the 4th of March 1933 when the administration of our Government passed from the hands of one of our great political parties into the hands of the other. Even before the inauguration, before the passing of one President and the birth of another, thousands of our banks, representing every section of our country, were forced to close their doors, and while the new President was taking the oath of office rumblings of a call for a special session of Congress could be heard. It was freely predicted that we would convene within the week. The situation at the Nation's Capital was tense, the conditions at home were tragic.

I stood in Statuary Hall as the President-elect marched from the Senate Chamber to the platform prepared for the inauguration ceremonies that were to take place at the east entrance of the Capitol, and as he passed, sober, resolute, determined, yet with a kindly smile of sympathy and understanding on his face, a woman near me breathed aloud this prayer, "Oh, God, you have sent us a Gideon to deliver us; don't let anything happen to him." And I remembered the maniac that had snuffed out the life of Mayor Cermak, of Chicago, in an effort to slay the President-elect, and then I remembered that three of our Presidents had been slain by assassins' bullets; then I saw again the faces of the two men who sat in the front of the Senate Chamber while the new Vice President was taking the oath of office, and I observed the hollow eyes, the sallow complexion, the sunken cheeks, the expression of disappointment, discouragement, and defeat of the retiring President, and I was struck with the total despondency and inability he exhibited in the face of the greatest crisis our country had ever known. And then I had studied the face of the new leader, and I was impressed with the firm, determined, resolute expression—a face, a figure, an air of radiance, reliance, sympathy, understanding, and ability—and I was ready to say "Amen" to the woman's prayer that no harm come to this man who was soon to become President of the greatest nation on earth.

The inaugural address—short, concise, impressive—raised the confidence of the people in themselves, their country, and their new leader.

All banks were speedily ordered closed, the Congress was called into special session on March 9, 1933. Both Houses were immediately organized, and a bill to relieve the financial crisis by providing for the safe opening of banks was passed by the Congress and signed by the President at 8:30 p.m. the first day of the session. Within a few days a majority of the banks were open and business was resumed. From that time conditions have gradually improved. The administration has set a record for speed, both in the calling of that 100 days' session and in time consumed in passing important legislation that produced good results.

The pace set was never slackened, for within that 100 days a total of 82 bills and 11 joint resolutions passed both Houses of Congress and received the signature of the President. This is a total of 93, for an average of almost one every day.

Of the bills passed during the special session few are not classed as major propositions. These include: The banking bill, previously mentioned; the Reforestation Act, providing for the relief of unemployment through the performance of useful public works; the Farm Relief Act, embracing control of production of farm products, reduction and refinancing of farm mortgages, and the inflation amendment. Then came the Home Owners' Loan Act, providing for refinancing of homes; the Federal Emergency Relief Act; the Muscle Shoals bill; the bank-guarantee law; the securities bill; and last but not least the National Industrial Recovery Act. Time will not permit me to discuss these propositions here. You are more or less familiar with this legislation and with the results that have accrued because of its passage. The special session closed after 100 days of strenuous labor. The administration then brought into play the combined forces of the Government to make effective the legislation that had been enacted. The people gave wonderful cooperation. Everyone was interested. All were affected. The wisdom of the legislation that had been passed was tested in full. The administration had an enormous task to perform. The way the task was performed is a splendid justification for the confidence and responsibility reposed in the administration by the Congress.

To some extent the fears of those who had objected to Congress delegating enormous powers to the administration were allayed during the months following the closing of the special session, but some doubting Thomases and others who were unsympathetic with the new deal predicted that the close cooperation exhibited during the special session between the President and the majority party of the Congress would not be in evidence in the regular term. They forecast a stormy session, with much independence and stubbornness exhibited on the part of certain members and the loss of leadership by the President. Some even hinted of a coalition between blocs of Members of the two major parties. All these fears proved groundless and their dire predictions have come to naught.

During the regular session of the Seventy-third Congress, in addition to the appropriation bills, which are usually merely routine legislation, the following important measures were enacted: An act providing for the establishment of a corporation for refinancing farm debts; a bill authorizing the continuation of the Reconstruction Finance Corporation; the currency measure devaluating the content of the gold dollar; the authorization for the construction of naval vessels to treaty limits; the Civil Works measure providing for relief of unemployment; a new revenue act; the Bankhead cotton-control bill; the National Securities Exchange Act; an important amendment to the Tariff Act of 1930; and the national housing bill. These measures, added to those passed during the special session, form the basis upon which the new deal is founded.

Admittedly, many of the benefits of the legislation enacted during the Seventy-third Congress depended and still depend upon the administration of the various measures. In a program so enormous as was inaugurated early in March 1933 and continued to this good hour it is inevitable that some mistakes should be made in the administration of same. But we have every reason to believe that the careful attention to detail and the willingness to correct mistakes when they appear that have been in evidence since the inception of this administration will continue to be followed in carrying out the policies of the new deal, and it is exceedingly necessary that our people continue to give that wholehearted cooperation that has marked the inception of the program thus far. In no other way can our leaders continue to succeed in our fight against that relentless foe—"old man depression."

As privates in the Army do not and cannot envision the strategy of the commander in chief, and as a consequence should not criticize, from this same standpoint the American citizens should coordinate their activities and spontaneously support the President, with the urgent hope and prayer that in the interest of a better America he will break the shackles of the banking ring which has engulfed us and which increasingly envelops us, paying as we do at least one-fourth or more of our national income as interest tribute to the plutocrats of America.

With this thought in mind, and realizing that it is easier to criticize than to create, I cannot refrain from saying that in my humble opinion there still remained much remedial legislation that should have been enacted before the close of the recent session of Congress. Let me emphasize that the Seventy-third Congress should not have adjourned before its work was completed in its entirety. Many pending measures, sound in conception, did not receive proper consideration. Lack of time may have prevented some important legislation from being enacted. Lack of adequate information may have caused some proposals to be deferred to a later date. Lack of support from the administration, in the Congress, or from the people may have hindered certain propositions that you or I may think should have been completed before the adjournment of the Seventy-third Congress. At the risk of being misunderstood, I cannot refrain from saying at this time that, as far as I am individually concerned, I think the Seventy-third Congress should have, before adjournment, enacted an old-age-pension law, passed the Frazier-Lemke farm bill and a measure providing cost of production for farm products, provided permanent Federal funds for education, remonetized silver, and recaptured the power to issue money and regulate the value thereof.

Old-age pensions on a Nation-wide basis, with the Federal Government as the great provider, are becoming a topic of universal discussion and are meeting with national favor. The first lady, Mrs. Roosevelt, has long advocated security for the aged as a means of solving myriad social and economic problems, and the President has expressed his attitude in terms of approbation. We cannot long fail to realize that it is not only a privilege but a solemn duty to be our brother's keeper.

The Frazier-Lemke bill, or some similar measure providing for low refinancing of farm mortgages, must sooner or later become law if the farmers of America are to continue to operate. It is inexcusable that our Government refuse loans to those engaged in tilling the soil on the same basis as those made to other groups of our citizens. Our farmers should also be guaranteed cost of production for all their products that are consumed in this country. Until agriculture has the same assurance that is given other industries our farmers will continue to operate at a loss.

One of the most discreditable aspects of the depression from which the Nation is now emerging is the plight to which public education has been reduced. This is not the first depression from which the American people have suffered, but it is the first which has placed the whole public-school system of the country in jeopardy. In other dark times in our country's history "the people planned for enlarged, rather than restricted, public education", according to Dr. Edgar W. Knight. The recent national survey of school finance shows that one-third of the school children of this country are receiving inadequate instruction, that the depression has endangered the standards for millions of others, and that expenditures for highways, waterways, and other governmental services have been far out of proportion to those for public schools. Closing of schools during the past year has deprived 100,000 children of educational opportunities. One-fourth of the cities have shortened their school terms, several hundred thousand certified public-school teachers are out of employment, and salaries are going lower and lower. Having spent 15 years teaching school in my home State of Oklahoma, I have been vitally interested in everything affecting education. I am proud that I have had a part in securing almost one and one-half million dollars in Federal funds for aid of education in my State during the past school term. This emergency aid has been of inestimable value to the schools of the Nation, but it is imperative that the Federal Government provide permanent funds to aid in the education of the youth of this land if we are to continue to justify our democratic form of government. Public sentiment should demand that the Congress provide an annual appropriation of at least $100,000,000 for aid of public schools. What this Nation needs is fewer politicians and more and better schools.

Friends, the most important and fundamental question ever to face an American Congress was before us all through the recent session. It was, "Will silver be remonetized?" Gold monometallism has caused the greatest economic tragedy in world history. Its ghastly effects are even now before our very eyes. The result of the dislocation between money and commodities has brought about the paradox of want in the midst of plenty, privation and suffering, discouragements, unemployment, doubts and moral depression, all of which justify vigorous and immediate action, and render delay inexcusable once the corrective is found. The solution is the remonetization of silver. The most important question facing the American people today is, "Will silver be remonetized?"

The Constitution of the United States provides that Congress shall have the power to coin money and regulate the value thereof. We should recapture that power that has been delegated to the banks and we should stop issuing interest-bearing, tax-exempt securities to finance the various Federal projects. We should quit trying to raise ourselves by our boot straps.

For these measures we must look to the future in the hope that whatever remained to be done when the Seventy-third Congress adjourned will be pushed forward to completion in the next session. Some mistakes have undoubtedly been made, some corrections will have to be made in the future, there will need to be some additions and some deductions, but in the main the new deal has brought order out of chaos and the American people face the future with faith and confidence, and if we will stand all in our places, round about the camp, the enemy will run and cry and flee.

Let us march forward and onward supporting the new deal with President Roosevelt, in the interest of all the peoples, and not a favored hereditary few. If we do this, the specter of unemployment, poverty, and greed will be supplanted by the Golden Rule rather than the rule of gold, which has so dismally engulfed us.

"And God said, Let there be light: and there was light."

Give the American people light, and they will find the way.

VETERANS' BENEFITS

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement, which was prepared for me, in regard to veterans' benefits:

The Independent Offices Appropriation Act for the fiscal year ending June 30, 1934 (H.R. 14458), was vetoed by President Hoover at the expiration of his term of office, March 3, 1933. The veto of this measure paved the way for economy legislation pertaining to veterans' benefits. It was recognized that there were many persons on the compensation and pension rolls whose right to such benefits could not be justified. Although there may be sound arguments to the contrary, it is commonly agreed that the course pursued by the President in the introduction of the Economy Act, which was approved March 30, 1933, was a safe and sound method of laying the ground work for establishing a fair and equitable basis upon which to eliminate unjust groups and classes. President Roosevelt has assured the country that the action taken in connection with the Economy Act was based upon actual necessity, and that through the veterans' regulations and such legislation as would be found necessary, a more permanent and uniform policy with reference to veterans' relief could be established. The Government would then be furnishing relief to the proper groups and classes, depending upon their comparative entitlement, at rates established so that the highest possible amounts would be payable to war-time service-connected cases, second to peace-time service-connected cases, and third to non-service-connected cases of war veterans and their dependents wherein the need for such relief is established. It was never the intention of President Roosevelt to give the service-connected cases other than the most fair and equitable treatment and it will be found that as to many groups he approved increases in the rates in effect prior to the Economy Act. Furthermore, as rapidly as it was determined that certain service-connected cases were affected by regulations, the necessary changes were made to grant the most liberal rates possible.

Based upon the laws pertaining to veterans in effect before the Economy Act, March 20, 1933, it was estimated that for the fiscal year ending June 30, 1934, $945,988,000 would be needed. This cost included only expenditures for veterans' relief. Under the Economy Act is was estimated that $485,988,000 would be required, representing a reduction in the appropriation of $460,000,000, including $50,000,000 for adjusted service certificate fund.

Immediately upon the promulgation of the first regulations the President requested immediate study of such regulations and their effects for the purpose of making liberalizations which could equitably be supported. In accordance with this policy he approved liberalizations in regulations of June 6, 1933, with an additional estimated annual cost of $50,000,000. Again, on July 28, 1933, he placed into effect liberalizations, including some authorized by Congress June 16, 1933, which resulted in additional estimated annual cost of $46,000,000. By regulation of January 2, 1934, he perfected the appellate procedure without material change in the appropriation. January 19, 1934, he approved liberalizations, adding an estimated annual cost of $21,000,000. His regulations of March 27, 1934, were in effect but 1 day, due to the enactment of the Independent Offices Appropriation Act, March 28, 1934. Under these regulations the estimated cost for the first year would have been approximately $22,000,000. The additional cost for the short period—1 day—they were in effect was estimated as $123,100. It will, therefore, be seen that the President, subsequent to the Economy Act, put into effect liberalizations based upon careful studies amounting to $117,000,000, not including the estimate of $22,000,000. The Independent Offices Appropriation Act of March 28, 1934, provided for permanent liberalizations in connection with veterans' relief, at an estimated additional annual cost of $83,000,000.

Although in principle the President has not favored the general extension of benefits to non-service-connected groups, he nevertheless considered the equity of certain cases and in his own regulations provided for pension for total disability not connected with service in needy cases of World War veterans. In addition pensions to Spanish-American War veterans and widows and children for non-service-connected conditions were authorized. This pension was granted because of the long period of time over which their rights were enjoyed under prior laws, but the rates were reduced to a level below service-connected rates. Further, he has given his approval to an act providing for benefits to widows and orphans of World War veterans who die or have died from causes not connected with service, but where at the time of their death they were in receipt of or entitled to pension, compensation, or retirement pay for service-connected disabilities of 30 percent degree or more. This action was based upon the equity and justice of considering the plight of needy widows and children of World War veterans who, during the veteran's lifetime, had adjusted themselves to his service-connected monetary benefits from the Federal Government, and who, upon the death of the veteran from cause other than the service-connected disability, found no relief available from the Federal Government. This benefit is limited to those who can meet income limitations.

Let us consider the matter of the enactment of veterans' legislation over the President's veto, March 28, 1934. It is well to remember that many of the principal acts over past years granting veterans' benefits have violated what were then considered to be sound fundamental objections in the mind of the President, and the Congress has in turn enacted the measure over the veto of the President. There is no unique situation in the history of the recent law of March 28, 1934, enacted over the President's veto, because, after all, the question was the extent to which the Government should go in expenditure of funds for veterans' relief, taking into consideration recognized standards of entitlement. It should be remembered that the President and administration leaders in the Congress offered liberalizations for consideration, and the only reason for the action of the Congress was that they insisted upon permanent restoration of prior benefits with certain limitations, whereas the President frankly believed, particularly as to World War presumptive cases, that the restoration should be on a temporary basis until the basic entitlement could be determined. There was no profound difference in immediate cost between the most liberal proposals of the President and the administration leaders, and the law as finally enacted, as will be shown.

It was the President's desire to liberalize with reference to both the World War and Spanish-American War veterans by reviewing presumptive World War cases and applying presumption of service connecton to Spanish-American War cases, providing for assistance by the Veterans' Administration in case of development. His regulations of March 27, 1934, would have continued the rates in effect on March 19, 1933, subject to 25-percent reduction, pending such review. Those cases which would be granted service connection under this review would have received the liberal war-time rates. The action of Congress, with certain limitations, restored these cases to their prior entitlements on a permanent basis, except that the presumptive World War cases are restored at a 25-percent reduction. The Spanish-American War veterans restored by Congress may receive the benefits under prior laws, subject to 25-percent reduction. It will, therefore, be seen that the President's principle was a fundamental one, that is, not to throw aside the work done by special boards of review authorized by Congress in June 1933, but to give the veteran the benefit of a very careful review of his case by the Board of Veterans' Appeals and to determine service connection in as many cases as possible where such determination could be supported by the liberal provisions governing the review.

Further, before the veterans' regulations of March 27, 1934, there was proposed in the Senate a permanent restoration of pension to Spanish-American War veterans with 90 days' service, and their dependents, under the prior laws with a 25-percent reduction, which, with the review of World War cases, was estimated to create an additional annual cost of $63,749,000. This proposal was introduced by Senator BYRNES, of South Carolina, and although not in strict accord with the President's program probably would have been approved by him. Approximately $10,900,000 of this amount would have been temporary, pending final decision in World War cases, and would have been modified depending on war-service connections granted. There would have been no future claims adjudicated based upon World War statutory presumptions. The action of Congress, March 28, 1934, resulted in estimated additional cost of $83,000,000, which was approximately $20,000,000 in excess of Senator BYRNES' proposal.

Many of the principles established by the Economy Act and the President have been confirmed by Congress in subsequent legislation. Some of these are: (1) The elevation of the rates for war-time, service-connected disability for Spanish-American War veterans to a level similar to that provided for World War veterans prior to the Economy Act. Under the prior laws the Spanish-American War veteran with service-connected, war-time disability could not receive in excess of $125 per month. Under

the President's regulations he may receive as high as $250 per month. (2) He provided a presumption of service connection by regulation of Spanish-American War veterans, which had never theretofore been granted. (3) Considering the plight of widows and children of Spanish-American War veterans whose death was in no way caused by military service, he provided a pension for them. (4) He has gone further than that—in June of this year—by approving a pension for widows and children of deceased World War veterans who die or have died from non-service-connected conditions who at the time of their death were receiving or entitled to receive service-connected monetary benefits for a degree of disability of 30 percent or more. (5) He provided for reduction in monetary benefits of hospitalized veterans without dependents, with a provision for the payment of the difference between the reduced amount and the amount to which they were otherwise entitled to the wife, children, or dependent parents of such veterans, and Congress has uniformly confirmed this policy. (6) He eliminated the World War disability allowance cases on the rolls for partial disability, but authorized the payment of pension in the amount of $30 per month to World War veterans permanently and totally disabled and in need, and Congress has not altered this provision. (7) In order to limit the far-reaching veterans' hospital construction program with which the country was faced at the time President Roosevelt entered office, due to the liberal provisions for hospitalization of non-service-connected conditions, he restricted such entitlement within what were considered by him to be reasonable limits. The Congress has subsequently liberalized the eligibility on two occasions, but the hospitalization is restricted to the limits of existing Veterans' Administration facilities. (8) The restriction of emergency officers' retirement pay to those with service connection based upon a causative factor arising out of line of duty has not been changed by the Congress. (9) Under the economy act and veterans' regulations willful-misconduct cases were denied benefits, and Congress confirmed this principle with the sole exception of the World War service-connected blind veterans. (10) The requirement of entry into or employment in the military or naval service prior to November 12, 1918, in order to be entitled to World War benefits as established under the economy act and the Presidential regulations has been confirmed by the Congress. There are many other important provisions in the veterans' regulations not altered by congressional action.

The efforts of the President have been directed toward elimination of certain injustices and inequalities existing under prior laws, and in so doing his aim has been to develop sound fundamental principles governing veterans' relief which may be used as the basis for permanent legislation in the future.

Under this policy a receptive attitude has been taken and the merits of proposals regarding groups or classes are thoroughly studied, and the action taken is based upon the most careful consideration of both sides of the question, and the changes thus far made clearly establish the profound sympathy of the President with the plight of needy veterans and their dependents and the desire to see that the highest possible rates are paid to the veterans and dependents of deceased veterans with service-connected conditions.

Viewing the present status of Spanish-American War veterans and their dependents and World War veterans and their dependents, including all benefits granted by the President and the Congress, we find many persons receiving the same benefits as they were receiving before the Economy Act, and in many instances receiving more than they were entitled under the laws in effect before the Economy Act. In fact, the Budget message of President Hoover, December 5, 1932, if carried out with reference to veterans, would have failed to grant what some veterans and their dependents are now receiving. By elevating the Spanish-American War rates to the World War level in service-connected cases, by granting needy World War widows pension under certain conditions, as heretofore stated, by extending other World War privileges and rights to those who served prior to the World War, and by liberalizing as to the World War veterans, it can, indeed, be said that the war-disabled veterans and their dependents have benefited by the legislation and Presidential regulations approved since the advent of this present administration.

THE NEW DEAL

Mr. PEAVEY. Mr. Speaker, it is too early to estimate the good that will follow from the new deal or to appraise what evils, if any, may result from the legislation in the President's program.

I have supported that part of the new-deal program which appeared to be in the interests of the people of my district. I have opposed every proposal which I believed would injure them. I am willing to give President Roosevelt every chance and opportunity to rehabilitate the farmers, to restore business, and give jobs to the unemployed. I am not willing as a Progressive Republican to accept his leadership until he has demonstrated that his agricultural program is sound and that he really intends to secure for labor the freedom to organize and the right to bargain collectively. Practically all of the new-deal program to date is temporary. It was drawn and is being administered as relief to meet the emergency caused by the depression. It is a program of emergency and as such can be terminated by the President overnight without the sanction or even the passage of an act of Congress.

Up to this moment the President has led his party on a dual course. Through the expenditure of stupendous sums he has through Administrator Hopkins in direct and other forms of Federal relief endeared himself to millions of our citizens. For this he has been termed a "liberal." During this same time he has ruthlessly cut the soldiers, his influence has defeated the soldiers' bonus, the Frazier bill, the McLeod bank pay off bill, and the whole labor program, while Mr. Farley has built up a Democratic machine as reactionary in character and kind as has ever been seen.

THE THIRD PARTY

The third-party movement in Wisconsin which has sprung up in the past 4 or 5 months has created much discussion. I have given it the best thought I can. I have discussed it with hundreds of liberals in Wisconsin, and I am convinced that to divide the liberal vote by such a movement will endanger further progress in passing liberal laws.

It is my sincere conviction that the greatest progress toward passing liberal laws can be made through electing progressives in both of the old parties. It is my belief that by purging the old parties of their reactionary leadership, by building up the progressive elements in both parties, thus forcing them to accept a liberal program, more good can be gained for the common people than by launching an untried third-party movement. In this opinion I believe I am on sound ground. The greatest progressive in generations, the late Senator La Follette, from whose philosophy I have gained my political convictions, wrote about third-party movements in the closing years of his life as follows:

It was clear to me that the highest obligation of real progressive Republicans in every State was to maintain their organization and continue to fight within the lines of the Republican Party for progressive principles, policies, and candidates. I felt that no aid or encouragement should be given to a third-party plan to divide the progressive vote and destroy the progressive Republican movement; that no break should be permitted in the progressive ranks which would endanger the election of any true progressive Republican anywhere; that every effort should be put forth to increase the number of thorough-going progressive Republicans in the United States Senate and the House of Representatives; that the election of a strong body of progressive Republicans in both branches of Congress might enable them to hold the balance of power in legislation; that that balance would serve as a check upon any President, if reactionary, and if progressive, would aid him to wring from reactionary opposition in both Houses legislation to protect public interest.

There was every reason for conserving the progressive Republican organization.

Years before in Wisconsin we had precisely the same condition, the Republican Party, with the mass of its membership ready for progressive legislation, and a leadership bound to the service of special interests. We forced the retirement of the reactionary leaders and made the Republican Party the best possible instrument for achieving representative government.

I believed we could do nationally with the Republican Party what we did with it in Wisconsin. I still believe so. Within a few years such progress has been made in this direction as to justify that belief. It is my conviction that this will sooner bring government back to the people than will be done through the medium of a new and untried party organization. This was most emphatically true when that new party had for its leader the man under whose administrations the Republican Party made much of the record for which it is most severely condemned.

For these reasons I shall remain in the Republican Party at this time. I shall continue to denounce its representatives when they betray public interest. I shall refuse to be bound by its action whenever it fails in its duty to the country, and I shall do all in my power to restore it to the high place in the service and confidence and affection of the American people, which it held when it was the party of Abraham Lincoln.

Senator NORRIS, of Nebraska, another great liberal, is a progressive Republican, elected as such, and a fighter for liberal government in the Republican Party, sustains old Bob La Follette's judgment. Senators FRAZIER and NYE, of North Dakota; Senator JOHNSON, of California; Senator CUTTING, of New Mexico, all are progressive Republicans; all seek reelection as progressive Republicans on the Republican ticket. They believe in the judgment of old Bob. With them I agree.

Now, it appears that because I have not changed my convictions and because I do not feel justified in putting on an untried third-party coat, but expect to run for reelection as

I always have run, as a progressive Republican, I am to have in addition to the bitter opposition of stalwart Republicans and reactionary Democrats, the opposition of some third-party liberals. It seems that I must label myself third party or the progressive vote in this district is to be split. This is the first time I have ever heard it claimed that party labels meant more than principles and voting records. It is admitted by Mr. Gehrmann, who wants to run for Congress on the third-party ticket, that his candidacy is likely to result in the election of a reactionary. He says in a recent letter to me that many people have asked him to run.

I quote him exactly:

They had no particular fault to find with you excepting that they wanted at least one actual farmer in Congress from Wisconsin. Of course, I refused, because I knew that both of us would be defeated, and I have always been 100 percent for you, but since the creation of the new party, which I believe will be a reality in a few days, things have changed.

If he believes what he says, he is deliberately entering the race, knowing beforehand that to do so will defeat a progressive and elect a reactionary. Can any man claim to be an honest progressive and do that? That is the old reactionary game; to divide the liberals, defeat them, and elect the reactionary candidate by a minority vote.

I insert here my reply to Mr. Gehrmann's announcement for Congress:

Your letter telling me that you will run for Congress unless I run on the third party ticket is received.

Last March you wrote John Gamper, of Medford, who published your letter in the Taylor County Star News, as follows:

MELLEN, *February 28, 1934.*

DEAR FRIEND JOHN: Your letter reached my home a few days ago, but since the Marshfield convention I have been on the go all the time, and am leaving for Madison again tonight to attend a legislative committee meeting, and will stay for Saturday's progressive conference.

As to my candidacy against PEAVEY, that is all bunk. I'll never be the cause of a split in the progressive ranks, be that for Congress or State office. The progressive principle shall always come first, and my political ambitions, if I have any, only second. I have had hundreds of letters, urging me to run, from farmers all over the district, and had delegations from Superior call on me during the special session, but nothing doing as long as PEAVEY is there and votes as he has in the past. So you can tell Conrad that he needn't lose any sleep about me running against PEAVEY.

With kindest regards, I remain as ever,

Your friend,

B. J. GEHRMANN.

I have not changed. You admit that you can find no fault with me or with my voting record. Yet you say now that you will run against me unless I join your third party.

On Saturday, June 9, the day before the third party conference at Spooner, you told one of my good friends that you would run provided "they put up the money."

You must know that there are several reactionary Republican candidates ready to run just as soon as your announcement is published. The Democrats already have a reactionary in the field.

Every campaign since I was elected to Congress my stalwart opposition has sought to defeat me by getting a pseudo-progressive State senator to run, in the hope of electing their reactionary candidate. State Senator Johnson, of Superior, played this role for two campaigns, then Senator J. H. Carrol, and later Senator Nelson. If you are determined to play the part of dividing the progressive voters this year for the benefit of the reactionaries, it is useless for me to try to deter you. This is still a free country; you have the legal right to run; but after accepting my help and aid when you needed it in the last campaign against Carrol, as you did, and in view of your letter to Gamper referred to, you can hardly expect that you will be able to convince me or any other progressive or fair-minded citizen of this district that you are actuated by principle in doing so.

The Republican Party was born a party for freedom. Purge it of reactionary, privilege-serving leadership and it will serve the common people and the common good. Republican candidates for President must exhibit to the people of the Nation, qualifications beyond the ability to say nothing, do nothing, and advocate nothing, if they expect to get public support in the congressional elections of 1934. State Republicans must have a program; a liberal one. It must contain remedies for the existing economic, financial, and industrial evils. It must breathe the spirit of hope and must encourage righteous ideals of honesty in government. We must initiate a program which will furnish a job to every man who is willing to work. We must initiate a program which will restore economic justice to the farmer and insure the return of property values and security to the business man and home owner. Property taxes must be reduced and income taxes raised and collected, based on ability to pay. Representative government must be restored to the people in reality. The public conscience must be aroused and party platforms must again become solemn covenants between the people and their representatives. The people of Wisconsin have through the ballots the power to elect liberal Republicans to office who will carry out these pledges.

MINNESOTA FIRE SUFFERERS BILL

Mr. HOIDALE. Mr. Speaker, I want to call the attention of the House briefly to the almost impossible difficulties that a private bill involving as much money as the Minnesota fire sufferers bill meets with in the House under the present rules. I mention this because I want to say that these rules must be changed in the interest of justice as soon as the next session opens.

Under the rules, as we now have them, every private bill—that is to say, a bill for the benefit or relief of individuals or corporations—is, after getting the approval of the Claims Committee, placed upon the Private Calendar. This calendar is taken up for consideration whenever convenient. Ordinarily once a week or once in 2 weeks for a few hours. The bills on the calendar are then called and if one Member objects that ends consideration on that particular call and chances are small that the bill will be reached for a second call during the session.

If a bill has been objected to on the first call of the calendar—the calendar is seldom called more than once—and is called the second time, three objectors can block consideration and that ends the bill for the session so far as the Private Calendar is concerned.

The Minnesota fire sufferers bill has been up in several sessions of Congress and has always met with objections.

There are two other possible ways in which a private bill may be brought up for consideration; with the consent of the Speaker it may be brought up for consideration under suspension of the rules. Twenty minutes is then allowed each side for debate. Two-thirds vote is required under suspension. We succeeded in getting our bill up under suspension, but could not get sufficient votes to put it over.

The third method is to obtain from the Rules Committee a special rule permitting a private bill to come up for consideration in the same way as a public bill. After much hard work we succeeded in getting the Rules Committee to grant a rule authorizing the Chairman of the Claims Committee, with the consent of the Chairman of the Rules Committee, to call up the claims that he considered most urgent. This kind of a rule for a private bill has never before been granted and there was much objection to such a rule being granted, because it was claimed that one private bill should not be preferred over another private bill. When we bear in mind that there are thousands of bills of this kind the difficulties can readily be grasped.

The Chairman of the Rules Committee did not call up the rule mentioned, but instead took the floor in the House during the closing hours of the session and made this statement of the parliamentary situation:

Mr. BANKHEAD. Mr. Speaker, it is not my purpose in asking this indulgence to take the time on one of our usual valedictory addresses which will soon be approaching, but there is a matter that I feel all Members of the House are very deeply interested in that I should call to your attention in these brief remarks. I know the disappointment and confusion and, I might almost say, heartache that has come to many Members of this House in the closing days of the session because of the impossibility of their securing an opportunity for the consideration of bills on the Private Calendar in this House. For a number of years I have realized that under the present rules of the House, where claims have been fully and carefully considered by the Committee on Claims and other committees of the House, and where there can be no fair and reasonable doubt whatever as to the justness of those claims, a great many American citizens, because of the parliamentary situation which we have had for a number of years, are denied the abstract, just right of having those bills considered upon their merits by the Congress of the United States. [Applause.]

The present rule, of course, is the result of experiments over a long period of years. The present difficulty has addressed itself to former Congresses, and some of the ablest parliamentarians of

this House have undertaken from time to time to cope with and remedy this most unfortunate and distressing situation.

The Committee on Rules has had its mind, and I may say its heart, deeply impressed in the closing hours of the session of Congress with this unfair situation, to such an extent that some days ago the Committee on Rules voted out a resolution which if it had been called up and passed would have given the Chairman of the Committee on Claims the right to be recognized by the Speaker of the House to call up such claims as in his opinion were of paramount importance. But, after consultation with the majority leader and the Speaker of the House in these last hours of the session it was thought improvident and perhaps unwise to attempt to call up that measure. It would place a very deep responsibility upon the Speaker with all of the other great duties he has in these closing hours, because it would have required him possibly to have looked into the merits of these bills that the Chairman of the Claims Committee wanted to call up. In addition to that it would probably have subjected the Claims Committee and its chairman to the charge that it was playing favorites, that he was just calling up bills that he wanted to pass. So, for these and other reasons it has been decided not to call up that rule at this time. A great many Members from the Northwest and particularly from Minnesota were interested in that because it was possibly contemplated that the Minnesota fire claims bill was one that would have been called up if this rule had been passed, together with others that have been very strongly pressed upon our consideration.

The thing I rose to say is this: On realizing that we must pass some remedial and, indeed, possibly some revolutionary method devised for the consideration, the fair consideration of bills of this sort, I, as Chairman of the Committee on Rules, am going to request the gentleman from New York, the ranking Democrat upon that committee [Mr. O'CONNOR], the gentleman from Indiana [Mr. GREENWOOD], who has given this matter great consideration; the gentleman from Virginia [Mr. SMITH], who is deeply interested; and two very able parliamentarians upon the minority side, the gentleman from Michigan [Mr. MAPES] and the gentleman from New Jersey [Mr. LEHLBACH], to act as a subcommittee during the recess of Congress to undertake to fashion and frame some new, just, and fair method by which every claim, every just claim, pending in the Congress of the United States wherein the Government is involved, shall have a fair and decent opportunity during a session of Congress to be considered upon its merits.

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

Mr. BANKHEAD. I yield. Mr. Speaker, if I am trespassing unduly beyond the time allotted to me, I ask unanimous consent that it be extended.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GLOVER. I heartily agree with what the gentleman from Alabama has said. Could not the situation be remedied by having the Committee on Claims examine each claim, and those claims which in its opinion should be passed then be brought to the House in an omnibus bill under such conditions, then amendments could be offered to individual claims?

Mr. BANKHEAD. Mr. Speaker, I may state to the gentleman from Arkansas that that is one of the suggestions that has been proposed; and I am sure that when this subcommittee undertakes to give careful study to this whole project the gentleman's suggestion will be given very serious consideration.

Another proposal that was suggested is the setting up of some type of tribunal, judicial or otherwise, with limited jurisdiction as to amounts, which would have authority to consider these claims as the Court of Claims now considers claims against the Government up to $5,000, and to have final jurisdiction to dispose of them.

There are bills on the Private Calendar where the amount involved is $15, $20, $50, or $75—very negligible amounts, yet they take a great deal of the time of the Members and of the House.

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

Mr. BANKHEAD. I yield.

Mr. BLANCHARD. Is it not the gentleman's opinion that should a separate tribunal for the consideration of these claims be set up it would save a considerable sum of money due to the present expensive way of handling bills on the Private Calendar?

Mr. BANKHEAD. I have no doubt there is great merit in what the gentleman suggests.

Now, these two inquiries that have just been submitted indicate the possibilities of a careful and prudent investigation of some new method.

Mr. Speaker, I have no interest in the Private Calendar. I have but one little claim on the Private Calendar, the first I have had in probably 15 years, and it involves a very small amount, I think about $150; but my attention has been called to claims against the Government of the United States involving large sums of money, of the real justice of which, and of the merits of which there is no question on the face of the earth. These bills have been put on the Private Calendar, and these claimants have been here year after year knocking at the doors of Congress, of the House of Representatives, asking that their claims be adjudicated upon their merits. I think it is outrageous to have a system under which upon the possibly capricious objection of one Member or of three Members such claimants are denied for the session of Congress the privilege of having their claims considered.

It is encouraging to see Congressman BANKHEAD take this stand. What he now suggests should have been done years ago. Perhaps no one in particular is to blame for this situation, because there has never, so far as anybody knows, been a bill before Congress involving the large amount of money that is here involved.

Of course, in the Senate there is a different situation. The membership of that body is only one-fifth of that in the House, and they are not hamstrung there by such rules as we have here in the House. There is, therefore, no comparison between the difficulties that a bill like this meets with in the two bodies.

We all realize that under the circumstances stated by Mr. BANKHEAD it has become impossible to get the bill through at this session. But we are determined that we will work for a change in the rules so that a just and honest bill shall not be blocked in the future. I call upon all Members of Congress to study and investigate the merits of the fire sufferers bill during the recess as it will be brought up for a vote early in the next session. Justice has been denied to these people too long. The claims should be settled without further delay. These people have suffered long enough.

FINANCING FARMERS

Mr. GILCHRIST. Mr. Speaker, agriculture is basic, and it is certain that our people can never recover their economic stability and return to prosperity so long as agriculture is submerged under conditions that can only throw it into bankruptcy. It is the foundation on which rests industry and finance and trade. Without its success banks and business, commerce and carriers, trade and traffic must all fail. Agriculture cannot continue to pay present interest rates upon its mortgages. It cannot continue to pay the present taxes and imposts that are exacted from it. And it cannot continue to accept the present prices it gets for its products. A realization of the truth of every one of these three propositions is fundamental.

Interest rates upon farm debts are out of proportion to those paid by other industries and in other lines of endeavor. When the special session last year had before it the bill to amend the Federal Farm Loan Act many of us predicted that the relief then proposed would be inadequate. We then wanted to refinance agriculture as liberally as we had refinanced banking and trade and industry by giving the farmer cheap rates over long periods of time. Our farm-mortgage laws remain wholly inadequate. Under the present Federal land-bank system the farmer pays as high as 5 or 6 percent on the theory that he gets $1 to every dollar's worth of loan. This is not so, because he gets only 95 cents of that dollar while interest is charged upon the whole 100 cents. He is compelled to invest the balance in a company known as a "loan association", and he pays additional fees and commissions so that the interest is entirely too high. The management of these local loan associations are not to blame. They do good work for us and are entitled to their compensation. In any event their activities must necessarily be continued. But when a man is in dire need of a loan, when he must borrow money to save his home, it is ridiculous to force him to loan money to others. If he needs to borrow money, he should not be compelled to loan it. Nevertheless this is the exact situation now prevailing in the Federal land-bank system.

In the last session of Congress and during the present one we have called attention to these same things and have joined in trying to substitute for the present law what is known as the "Frazier bill", providing for the refinancing of farm mortgages at 1½-percent interest, with additional amortization payments. In the previous session this attempt went out under parliamentary point of order. As a last resort I then moved a substitute which would have made the interest at 3½ percent per annum, but even this substitute was lost. The debate showed that many people were very jealous in allowing farmers to get loans, although these same people wanted themselves to be furnished with Government money—in some instances even without the payment of any interest at all. The fact is that the Government issues currency to certain big bankers without charge, except one averaging 29 cents or 30 cents per thousand dollars for printing the bills. A farmer pays 4½ percent or 5 percent or 6 percent on a loan wherein he realizes but 95 cents on

the dollar, while the Federal Reserve bank pays only one-thirtieth of 1 percent for printing the currency that is given to it by Uncle Sam. Money is sound, according to the usurer, only if it draws interest. These Federal Reserve banks credit Uncle Sam upon their books and he then issues them back his promissory note in the form of an interest-bearing bond. They then hypothecate this same bond back to Uncle Sam and get currency for it. They pay no interest at all, nor do they pay any taxes on the bond whatsoever. Not a penny of the stock of the Federal Reserve banks is owned by the Government or the people. It is all exclusively owned by the private bankers. They do not pay a penny for the use of this Government money, but exact interest on the Government bonds. A bank gets $1,000 from the Government and pays 29 cents for printing. Then it loans this $1,000 back to the Government and gets $42.50 per year for it. Is this sound finance? Is it wise, or is it ridiculous?

The result of all of this is that bankers prefer to loan their money to the Government rather than to make loans to trade and commerce and manufacturing and industry. Nobody can tax the bonds which the bankers get for this money. The bankers go ahead and purchase more tax-exempt bonds and get back more currency with which they purchase still more tax-exempt bonds which they again hypothecate for still more currency, and so on with little limit. The Government pays them interest upon the bonds and also allows them the free use of the currency. If we did away with the system of tax-free securities, there would be more money ready to invest in trade and industry; and prosperity would return sooner because the banker would then loan his money to business men, the butcher, and the baker, and the candlestick maker, and industry would revive and labor be reemployed.

Roughly speaking, 0.1 of the medium of exchange which used to be employed in business in this country was currency and the other 0.9 was bank credit. That bank credit circulated in the shape of checks and drafts and bills of exchange. It transacted our business. We cannot have prosperity until we have bank credit again and until we commence again to circulate checks and drafts and bills of exchange. But the 0.1 will not stay in circulation so long as those who control the machinery which issues the 0.9 can take it up and swap it to the Government for tax-free bonds. As long as the Government issues more bonds than there is currency outstanding, the bonds tend to absorb the currency, absorb the bank-check money, absorb the bank deposits, so that the sale of tax-free bonds does not inflate the money situation but tends toward deflation.

The big bankers will not loan money to industry if they get a better deal by loaning it to Uncle Sam. We should devise some way by which the bankers will be put back into their proper field of operations. They invest in bonds instead of business, and these bonds must be paid by the taxpayer sometime and somehow. Do you think our children ought to pay them? Do you think our grandchildren ought to pay them? Do you think future generations should pay them? Great statesmanship indeed! Brave men we are to throw the burden upon posterity!

Bear in mind that this currency is based on nothing whatsoever except the promise of the Government to pay. It is fiat money. Not a dollar of paper money now outstanding is redeemable in gold or in silver or in anything else. But nobody is frightened about this phase of it. The Government guarantees the payment of this currency that it gives the Federal Reserve banks. Is it right for Uncle Sam to pay interest on his own credit? Thomas Edison said that if the Government can issue a tax-free interest-bearing $100 bond that is sound and safe, it seemed to him that the same Government might issue a dollar bill that bears no interest which would also be sound and safe.

I want sound money for the bankers, but I also want it for the farmer. I want it for all. We do not ask for favors but we do demand that the farmer be given facilities to borrow money which are at least comparable to those that others are given. The dollar is now entirely too high priced. It takes too much of the farmer's produce and of his labor in order to get one. He should be allowed to pay his debts with the same kind of a dollar that the creditor loaned him. When the farmers get currency they will spend it. They will put it to productive uses. They will use it to build up business and trade in the community in which they live. With it they will increase bank credit and business activity. They will draw checks upon it. They will pay debts with it. They will revive business life with it. They will pay off their mortgages with it. And we must rescue the farmer from his present distress. Thousands of them are being thrown out of homes every month. Many thousands of them are despoiled every year. And without them the country cannot endure. Moratoriums simply postpone the evil day. If the farmer had the same opportunities to get credit that other men have, if he were not compelled to pay interest rates beyond those charged to international bankers, then there might be hope for him. It is high time that we should respect the mandate of the Constitution which commands Congress to coin money and fix the value thereof. The Frazier-Lemke bill will create as sound a currency as any we now have and it will aid in restoring prosperity to the whole country.

The main reason for the financial distress of our agrarian population is that they are not fairly paid for the services they render to society. They produce at a loss. I submit that society ought to pay the cost of producing the food that it eats. On May 15 this year, the farmer was receiving 74 percent of pre-war prices for his commodities. But on the other hand he was paying 121 percent of pre-war prices for the things that he bought. The N.R.A. has raised commodity prices generally but the farmer still finds himself out of parity with other industries. The farm wife goes to the country store and sells her eggs at ruinous prices little above those which prevailed in the darkest days of the depression, and then walks over to another counter and pays almost twice what she formerly did for things that she wants, such as percales or fabrics or other manufactured goods. The very earnest attempt now being made to raise farm-commodity prices to a parity has not succeeded and the farmer is still the victim of adverse influences which he cannot control. He cannot go on unless his income is raised. He must have not alone the price of production but also a profit to compensate him for his investment, his labor, and his intelligent management. I do not care what name is attached to a bill or to a plan which will return adequate prices to him. We should support any plan which is a sound one. The fact remains that society will pay in the end anyway unless farm conditions are improved so that homes may be saved, children may be educated, and wholesome lives be lived in our farm communities.

The A.A.A. has been in operation for more than a year. The figures released by the Department of Agriculture show that the progress which has been made toward the restoration of parity prices for the farmer is small. Specific prices for farm products may be higher than they were last year, but no great advance is shown in any comparative statement for exchange purposes. There has been a modest betterment in some values, but these are in the main offset by the rise in prices of the things the farmer must buy. During corn planting this year a friend of mine had to buy a repair for his planter much in the nature of a clevis. It weighed about 6 pounds. He was compelled to pay $2.83 for it in order to permit his farm operations to proceed. This article did not cost the manufacturer more than 6 cents or 7 cents per pound. It will take 6 or 7 bushels of corn for my friend to pay for his little piece of iron. The purchasing power of a hog is now probably as low as it has ever been. The farmer will, however, get some emoluments later on if he has joined in the corn-hog program. The Swank bill or its equivalent is needed to protect agriculture and give the farmer an adequate return for his labor and investment. Mr. George E. Roberts recently stated that the results of the A.A.A. have been disproportionate to its tremendous efforts; that its difficulties were not wholly of its own making but resulted from influences outside of agriculture; that

rising costs have been at the expense of the farmer; and that, therefore, the A.A.A. has been placed in the position of aiming at goals which are constantly moving higher.

Thus the disparity is kept alive. This is the obvious contradiction of the recovery program. It gives to the effort to reestablish the balance between agriculture and industry the character of a movement around a circle, each pursuing the other but failing to meet.

In 1923 I helped to write and introduced in the Iowa Senate an act providing for sealing and warehousing of grain upon the farms by the farmers in their own cribs and granaries, thus saving excessive warehousing fees and costs. This act has since become a model and has been copied in many States. It was the first act of its kind ever enacted. The benefits which have flowed from this little piece of legislation have proved its value. The Government used this act in its program for farm recovery. Under it $140,000,000 worth of corn has been warehoused within the past year in the United States, and $61,000,000 of this has been in Iowa, representing 130,000,000 bushels of corn for that State alone. A Federal act should be passed which will correspond to it. In this year of dust storms and drought, of grasshoppers and chinch bugs, of starving cattle and despairing hearts, the Corn Belt and the corn crop are the hope of the livestock raisers of the Northwest. With the yield of wheat, oats, barley, and hay crops about the lowest in history, the feed supply must come and will come from that small section, of which Iowa is the center, because of this warehousing of corn and because of the promise of a somewhat normal corn yield. Acreage for corn has been reduced, but there were 270,000,000 bushels of corn sealed in farmers' cribs under the Government loan program within the Corn Belt States. The corn is on the farm, where it belongs, instead of in the hands of speculators. This has proved to be a godsend to the farmers this year.

The need now is to profit by whatever mistakes we have committed in the past. The need is to see to it that agriculture is paid an honest income and a fair profit. Let us go forward in the hope that society is bound to pay and will pay an honest price for the food which it eats and no longer cheat those who till the soil but give them a living price for their productions with sufficient profit so that they can enter the markets and restore all business activity.

OLD-AGE PENSIONS

Mr. WOLVERTON. Mr. Speaker, it is gratifying to note that there is an ever-increasing desire to make social justice an actuality instead of a dream. With each succeeding year there is a tendency to widen the scope of governmental responsibility for the welfare of our people.

In the past the effort to enact such legislation as workmen's compensation, minimum wage for women in industry, prohibition of child labor, widow's pensions, and so forth, was met with an opposition based upon the theory that all such legislation, seeking to improve working and living conditions of our people, was too socialistic in character and therefore unwise. Today, however, no such thought exists with respect to such legislation. It is now recognized as a proper and established function of Government and acknowledged as a perfectly proper expression of governmental responsibility.

The progress already made by the enactment of a variety of types of welfare legislation gives encouragement to the thought that other and equally meritorious welfare measures, now pressing for recognition, will at no distant day likewise receive favorable consideration and become a part of the established policy of Government.

In recent years industrial and economic conditions have brought forth problems vital to the welfare of our people that challenge our careful and sympathetic consideration.

One of these problems is old-age dependency creating a need for a national old-age-pension system. It has a direct relationship to our industrial system. A careful study of the facts causing the condition, and creating the need, as revealed by the report of the New York Commission on Old Age Security, will show that in most cases the principal contributing cause is low wages, illness, unemployment, and the wearing out of workers in modern industry.

The statement is frequently made that dependency in old age is the fault of the individual. That if they had been thrifty, ambitious, and industrious, they would have accumulated savings which would support them in their old age. This question was carefully investigated by the Pennsylvania Commission. Inquiries were sent to the former employers of all who had applied for relief under the 1923 act of that State. Only a small percentage of the replies indicated that the applicants had been irresponsible or intemperate. In an overwhelming proportion of the cases, the replies were unqualified endorsements of the applicants.

The true causes of old-age dependency lie far deeper than personal negligence or improvidence. The real cause is almost, if not entirely, the result of an industrial system which does not provide steady employment, nor wages sufficient to permit substantial savings. Little is left of accumulations after they have withstood losses due to sickness, accident, unemployment, and other conditions.

Furthermore, specialization of work, necessity for speed in machine operation, and adaptability to changing conditions make it increasingly hard for older men to measure up to the requirements laid down. This, together with the increased cost of workmen's compensation, group insurance and other provisions based upon age of the employed make it highly desirable for the employer to engage the services of young men rather than old. As a consequence, a workman over 45 who becomes unemployed has great difficulty in finding new employment.

The United States census reports also reveal that by means of improved methods of sanitation and medical science the span of life has been appreciably lengthened, thereby resulting in an increasing number of aged persons.

Another important factor, shown by the census reports to have a direct bearing upon the ever-increasing number of unemployed among the aged, is the drift from agricultural pursuits to industrial occupations. In the last 50 years there has been a decrease of approximately 50 percent in the proportionate part of our population engaged in agriculture and a corresponding increase of those engaged in industrial activities. The striking significance of this fact is emphasized when it is realized that dependency among those previously identified with industrial activities is far in excess of that among those who followed agriculture.

However, without regard to previous vocation, whether agriculture or industry, the New York commission found that in 1929, of all residents of New York State 70 years of age and over, only 17 percent (exclusive of housewives) were self-supporting on earnings and only 5 percent were self-supporting on income.

There is nothing that creates a greater sense of fear and distress of mind than to look into the future with uncertainty and a possibility of dependency in old age. Recognizing that this condition of dependency in most cases is beyond the control of the individual, and the result of industrial conditions, there arises a sense of obligation to provide adequate means for the care of such.

The duty to support the aged who are unable to support themselves is no new problem, nor is the recognition and acceptance of such responsibility in any sense new. Long ago, as early as the reign of Queen Elizabeth, poor laws were enacted similar to those now in force in most States. The question that now arises is whether these ancient laws shall be widened in scope and application to meet present-day social conditions. Nearly every civilized country has some form of old-age-pension system. In Germany such a system has been in force since 1889.

We must as a nation awaken to our responsibility in this matter and no longer depend upon the varying and divergent policies of individual States. We must accept it as a national problem requiring Federal solution for the common good of all our people.

LABOR AND THE SEVENTY-THIRD CONGRESS

Mr. RAMSPECK. Mr. Speaker, when the Seventy-third Congress convened in March 1933 labor was at its lowest ebb in the history of America.

With an estimated 15,000,000 of unemployed, our workers were being driven from the American standard of living

by starvation or starvation wages. Even those belonging to organized groups found it practically impossible to maintain wage standards or reasonable hours because of the pressure of economic factors.

Contrast that picture with conditions as they exist today. Millions have been reemployed. The starving have been relieved from the Federal Treasury. Wages have been increased and hours have been shortened. Child labor has been abolished. The right of organization and collective bargaining has been written into the law.

These changes did not just happen. They were brought about by a sympathetic Democratic Congress under the leadership of a great Democratic President.

First the banks were made safe and then the credit of the Government was put in order, thus laying the foundation for the forward-looking program of the new deal.

Beer was legalized and the eighteenth amendment repealed, thus establishing new activities in which thousands have found employment.

A helping hand was extended to our farmers by which they were enabled to buy again from the industries of the cities.

Three hundred thousand young men were taken from the bread lines and the soup kitchens of the Republican regime and placed at work in God's beautiful forests.

The Home Owners Loan Corporation was formed to save homes and to lend millions for repairs. Many workers engaged in the building trades have been kept busy through this agency.

A bill was enacted for the appointment of a railroad coordinator and employment upon the railroads was frozen, thus preventing the loss of many jobs by railroad workers.

A great public works program was authorized. This is furnishing employment in every section of the country; and in the session just closed another program has been set up to continue employment through the construction of public buildings, roads, and many other projects.

The Tennessee Valley Authority is bringing employment to thousands and a new civilization to the people of the Tennessee Valley.

For the purpose of helping the unemployed workers, a system of Federal employment offices was established in every section of our country. These offices were used to enroll those employed on Civil Works projects in which 4,000,000 men and women were given positions during the winter just passed.

The N.R.A. has placed most of the business and industry of America under codes of fair competition insuring minimum wages, shorter hours, and the right of organization. This procedure has created jobs for labor in every section of our country, has given them shorter hours and better working conditions.

The Railway Labor Act has been amended so as to make easier the settlement of disputes between the railroads and their employees. This also establishes the right of the railroad worker to choose how he shall organize without any interference or coercion.

A great housing program has been provided for and when it gets under way it will furnish millions of jobs for those in the building trades and allied lines.

Credit facilities have been established for all lines of industry so that those wishing to go forward with employment can do so.

The Seventy-third Congress studied the question of old-age security and of unemployment insurance. These matters will come up again when the Seventy-fourth Congress convenes next January. At that time the President will have a definite program to announce along these lines, as indicated in his recent message to the Congress.

The most important factor to labor, however, in the new administration—in the Democratic administration—is the changed attitude toward the worker.

For the first time in many years the Government is being operated upon the theory that a fair division of the income of the Nation must be given to its workers. The President has emphasized this fact. His administration has been definitely placed in opposition to child labor, to sweatshop conditions, and in favor of shorter hours. Labor organization officials have been called to high places in the administration. They have been consulted and they have exerted a real influence.

While some industrialists oppose this policy, it is worthy of note that many of the leaders of commerce and industry realize that without mass purchasing power we cannot have mass production. High wages and bountiful employment spell prosperity, and that is what this Congress and this Democratic administration have been working for. Surely the workers of America have at last found a friendly party and a friendly administration.

The House Committee on Labor has been most active during the Seventy-third Congress. Under the virile leadership of its able chairman, the Honorable WILLIAM P. CONNERY, it has held hearings on old-age security, the 30-hour week, unemployment insurance, and other subjects.

Many persons believe that the hearings held by this committee on the Black 30-hour bill created the sentiment for better working conditions and brought forcibly to the front the cutthroat competitive conditions existing in May 1933 out of which came the demand for the enactment of the National Industrial Recovery Act.

With a huge public-works program now under way, with codes insuring higher wages and shorter hours, with a large housing program to stimulate building and repairs, with credit facilities for all legitimate purposes, the Seventy-third Congress has laid the foundation for employment and for a return to normal conditions in our Nation.

Labor is not alone interested in its own peculiar problems. Its organization leaders realize that if the workers are to be employed, if their standard of living is to be maintained and improved, general conditions must be good, the farmers must prosper, and business must have the opportunity of operating upon a profitable basis.

For these reasons labor is interested in the general welfare, and labor will benefit from the policies of the administration now in power. These policies have as their main purpose the raising of the level of the whole people, the creating of a better civilization.

Having rendered faithful service the Democratic Members of the Seventy-third Congress have reasonable assurance that the voters in their respective districts will return them in the November elections.

Our millions of workers in America can well afford to look to the future with hope because under the leadership of a great humanitarian who sits in the White House, the Democratic Party will take up its duties again in the next Congress with a view to further improving the conditions of those who toil.

This Democratic administration, as has no other administration for many years, understands and has sympathy with the problems facing the rank and file of the Nation. With an endorsement of the people in November, the Democratic Members of Congress will take up their duties next year determined to bring to the workers of America and thus to the people generally a finer and better civilization, a fairer opportunity, and a happier existence.

It has been my pleasure to serve on the House Labor Committee for approximately 5 years. This service has brought to me a better understanding of the problems of labor, a broader view of the problems of the employers. From this enlarged point of view, I have reached the conclusion that the best interests of labor lie with the Democratic Party. It is also my opinion that the real welfare of the majority of the employers will be best served by our party.

I make this statement because I believe that the Republican Party has been controlled in the past by the small minority in this country who compose the selfish interests, those who believe that the way to prosperity is from the top down, those who care nothing for the workers and the farmers. There is no evidence of a change of heart by those who control the Republican machine. It is still controlled by the forces who brought disaster to us in 1929.

While there are many fine individuals among the Republicans in Congress, they have been unable to make their party progressive or liberal. They ought to become Democrats.

Labor has nothing to expect from a party dominated by selfish interests. Their hope lies with the Democratic Party, the real liberal party. That fact has been proven in the Seventy-third Congress.

The Democrats have a real liberal leader, a man whose heart has been tried in the fires of personal suffering, a man of great understanding. Under his splendid leadership, the Seventy-third Congress has made a record which shows real understanding and sincere sympathy with the aspirations for which labor is striving.

From such a Congress, acting under such leadership, business and industry has nothing to fear and labor has much to expect.

THE ACCOMPLISHMENTS OF PRESIDENT ROOSEVELT AND THE SEVENTY-THIRD CONGRESS

Mr. COLMER. Mr. Speaker, there is indelibly printed upon my mind a picture of a scene that I witnessed on the 4th day of March 1933. That scene was enacted on an improvised platform erected over the east steps of the National Capitol here in Washington. Standing on the improvised rostrun were the outgoing President, Herbert Hoover; the Chief Justice of the United States Supreme Court, Charles Evans Hughes; and the new President, Franklin Delano Roosevelt. There were also other dignitaries, but these three were the principal figures.

Gathered about on the plaza between the Capitol and the Congressional Library were some 75,000 or 100,000 American citizens, with their eager faces turned toward the small platform. There were 120,000,000 American citizens at home and abroad, awaiting for the new leader of the people to deliver his inaugural message. Expectancy, fear, doubt, and hope were the conflicting emotions in the minds of these 75,000 here and the 120,000,000 elsewhere. There well might have been misgiving on the part of some, for at that moment business was at a standstill. Industry was not performing. Banks were crashing with the rapidity of machine-gun fire. Farm products had no market. And in excess of 120,000,000 American souls were despondent. The most far-reaching and stupendous business depression that the country had ever witnessed was upon us. Unemployment was the rule and hunger was prevalent in the land.

Mr. Hoover, the retiring President, exhibited a tired picture of despair. The countenance of Mr. Roosevelt beamed with the exuberance of a youth. Having laid his hand on the Holy Bible and sworn to uphold the Constitution of the United States of America, Mr. Roosevelt proceeded in a clear, concise, and simple manner to unfold his plan of the new deal. That message represented years of thought. "Action", said he, "we must have, and action now." And action the American people got.

CONVENES CONGRESS

One of the first official acts taken by the new President was to call the Seventy-third Congress into extraordinary session. The record made by that Congress is now a matter of eternal history. With characteristic vigor and action he submitted his program to the extraordinary session. Most of the measures advocated by the President, and all of which were enacted by a sympathetic Congress, were emergency measures. The Congress, having relieved the situation temporarily at least, upon the advice of the Chief Executive adjourned its extraordinary session only to return in the regular session on January 3 of this year. Again the President submitted a continuation of his program of the new deal to the Congress, and again, with one exception, the Congress enacted the President's program into law.

Mr. Speaker, this Congress is about to adjourn, and I think it fitting and appropriate that in the limited time available some of the high lights of the legislation proposed by our great leader, the President, and enacted by a Congress which has shown throughout a wholesome desire to cooperate with the President be pointed out. There is no question but that the Seventy-third Congress has enacted more beneficial legislation for the welfare of the masses of the American people than any previous Congress. And, too, they enacted it with as little bickering and controversy as any Congress which has sat in this historic building.

BANKING LEGISLATION

The first official act of the President after taking the oath of office was to issue a proclamation closing every bank in the country. This was a courageous act on the part of a courageous man. But time has demonstrated that it was not only courageous but wise. For it is quite evident that under the economic stress confidence had been lost in the banking institutions of the country. This action on the part of the President saved untold millions to the depositors. The President then asked the Congress for certain banking legislation which would restore the confidence of the people in their banking institutions. Out of this grew the National Guaranty Bank Deposit Act. Under the provisions of this particular law the deposits of our people to the extent of $5,000 in our national banks, or any other banks which have elected to come under its provisions, were guaranteed. Tonight a depositor can close his eyes in peaceful sleep without fear that his small life's savings will be wiped out by a bank failure. In my opinion this is one of the most substantial achievements of the Congress. Prior to the enactment of this legislation banks had been failing at a rate in excess of 100 a month for the 6 months preceding the Roosevelt administration. Under the Republican administration in the 4 years preceding Mr. Roosevelt's advent to the Presidency, there were approximately 7,500 bank failures, involving nearly $6,000,000,000 in deposits. In the past 5 months, after the reorganization of the banking legislation by the Congress, there have been no bank failures.

AGRICULTURAL RELIEF

Much legislation has been enacted by the Seventy-third Congress in the interest of the farmers of America, who are and always have been recognized as the backbone of the Nation. No good purpose can be served by describing in detail this legislation, which is familiar to all. Suffice it to say that the American farmer has now not only a market for his agricultural products but receives a fair price therefor. At the time the Seventy-third Congress convened the American farmer was not receiving enough for his cotton, corn, tobacco, wheat, and cattle to justify his producing it. Today he is in position to make a fair return on his labor and investment as a result of this beneficial legislation. Cotton, the commodity that we in the South are principally interested in, for instance, was selling for around 5 cents per pound. Today cotton is bringing around 13 cents, with the prospects of a much hoped for increase. In 1933 the farmers of the State of Mississippi received approximately $10,000,000 in the nature of a bounty as a result of the plow-up campaign which was initiated by this administration. Of this sum my own congressional district received approximately $668,382.35. This year the farmers of my native State are expected to receive approximately $13,500,000 for their acreage reduction, which is in addition, of course, to what they will receive for the cotton marketed. This amount paid over to the cotton farmers of Mississippi represents the difference between comfortable living and want. In this connection it may be interesting to know the amount of money which the Department of Agriculture has paid in connection with the 1934 cotton-adjustment program to the cotton farmers of the several cotton-growing counties of my own district up to this date. They were as follows:

Covington County	$39,472.38
George County	7,055.38
Jones County	41,169.35
Lawrence County	28,769.17
Pearl River County	1,641.39
Stone County	739.94
Forrest County	6,258.36
Jefferson Davis County	40,908.67
Lamar County	10,973.29
Marion County	34,049.68
Perry County	5,567.64

After the enactment of the agricultural legislation the President and the Congress realized that unless the industrial worker and those who labor were employed profitably

the farmer would have no market for his products. In furtherance of this thought the Congress, at the suggestion of the President, enacted what is known as the N.I.R.A. or National Industrial Recovery Act. This law carried with it an appropriation of some $3,300,000,000 which were to be expended in the interest of increasing employment and the construction of Federal projects. As a result many millions of men and women who were formerly walking the streets of our great urban centers and the dusty highways of our rural sections seeking employment have been employed. And many more will be employed as a result of this legislation in the next few months. But the National Industrial Recovery Act went further. It prescribed a living wage for those who were employed and to be employed. Prior to the enactment of this law many men who earned their living by the sweat of their brows were working for a mere pittance. After its enactment they were paid a living wage. No longer can the industrial capitalists grind the helpless laborer under the steel heel of industry.

LABOR BENEFITED

In fact there has never been a Congress which has enacted into law 0.1 as much legislation that is beneficial to the laboring man as this Congress. Many special acts beneficial to labor have been enacted by the Congress with the consent and approval of the President. If all previous laws beneficial to labor were wiped off of the statute books and only those passed by the Seventy-third Congress were to remain, labor would still be in the most exalted position that it has ever occupied under the American flag.

VETERANS' LEGISLATION

The first major piece of legislation requested by the President of the Congress was the so-called "Economy Act." This, as I recall, was on the third day of the extraordinary session. This legislation primarily affected the Federal employee and the American veteran. It carried with it a reduction of 15 percent of all Federal salaries, including the salaries of Members of Congress. Moreover, it provided for certain fundamental and in some instances even drastic cuts in the compensation and allowances to the veterans of the Spanish-American and World Wars. Frankly, many of us had come to Congress with a patriotic appreciation and love for the veterans of these wars, and we viewed this legislation with deep concern and misgivings. But there was a psychological condition prevalent that warranted its enactment. Every bank in the country was closed on that day; confidence in the Government, in the governing officials, and in conditions generally was sadly shaken. It was quite evident that the people of the country were looking to President Roosevelt to lead the way out, and they were looking to the Congress to cooperate with him. The Congress enacted this legislation in spite of its misgivings by an overwhelming majority. The Congress had the assurances of the President that, while the rolls needed to be purged of many veterans who were drawing disability allowance and compensation where it was not justified, the deserving veteran would be cared for.

Subsequently, in the regular Congress and after it was apparent that many deserving veterans had been stricken from the rolls, the Congress of its own volition and over the protest of the President restored in part the compensation to all veterans who had a disability growing out of the service to his country or whose disability was presumed to be service connected. Likewise, provision was made for the veteran who is totally disabled and for hospitalization of all veterans regardless of the disability being traceable to the service. Mr. Speaker, this was the one vote where I departed from the leadership of our great President.

I am happy in the thought that the widows and orphans bill, sponsored by my two Mississippi colleagues, Messrs. RANKIN and HARRISON, has been enacted into law. This, in brief, provides for a pension to the widow and orphans of a veteran who had a service-connected disability but who died from some other cause. I believe that a grateful American people desired that this legislation be enacted.

HOMES SAVED FROM THE MORTGAGE HOLDER

Moreover, when the Seventy-third Congress convened, homes were being foreclosed under the mortgage hammer at an alarming rate and all out of proportion to anything the country had theretofore witnessed. The President asked the Congress for legislation to save the home to the home owner. He realized that a contented people must own their homes in order to remain contented and substantial. The Congress promptly enacted what is known as the "Home Owners' Loan Corporation Act", and today this Corporation of the Government is functioning in every nook and corner of the land. As a result, countless thousands of homes are today still occupied by their owners, who found themselves in financial straits, rather than by the mortgage holder.

FARMS SAVED TO THEIR OWNERS

Again President Roosevelt, realizing that the farmers of the land were unable to carry on under the exorbitant rate of interest that they were paying on their farm mortgages, asked the Congress for legislation to prevent the foreclosure of the farmer's farm. The Congress responded promptly and the farmer was given a new lease on his land. Moreover, provision was made by a liberalization of credits and appraisals so that the overburdened farmer might borrow additional amounts on his farm in order to tide him over the economic stress. There is every indication that before this Congress closes further reductions will be made in the rate of interest chargeable to the farmer on his mortgage, and thereby millions of dollars will be saved to tillers of the soil.

RECIPROCAL TARIFFS

Another monumental piece of legislation enacted by this Congress at the request of the President is the new tariff bill. Under the Republican administration tariff walls had been built so high that they had become veritable Chinese walls about our country. The other nations of the world upon whom we depended for our foreign trade and as a market for our surplus had in retaliation erected similar tariff walls about their countries. The result was stagnation so far as foreign trade was concerned. Under this great piece of legislation the President of the United States is given power to enter into reciprocal tariff agreements. The President can lower or raise the tariff as the circumstances demand within certain limitations. I predict that this is going to redound to the everlasting benefit of the American people and to the perpetual honor of the Seventy-third Congress.

OTHER BENEFICIAL LEGISLATION

This Congress has passed much other beneficial legislation; in fact, too much to dwell at length upon. Among the other legislation might be mentioned:

First. A law for the regulation of securities exchanges. This act, which was bitterly opposed by the Wall Street interests, will prevent a recurrence of speculation, ending in a financial debacle like that of 1929.

Second. A declaration of war by the Federal Government on gangsters. Several companion pieces of legislation were enacted, giving the Attorney General of the United States authority to assist the authorities of the several States in their war against kidnapers, robbers, and murderers. The Congress has served notice on organized gangsters that from henceforth they will have the Federal Government with all of its resources to contend with.

Third. Notice has been served upon the foreign nations who owe the United States Government money that they cannot longer float their loans here until they pay into the Treasury of the United States what they owe. And the President has again reiterated, in unmistakable language in a message to the Congress, that these war debts must be paid.

Fourth. The Congress has enacted new bankruptcy laws whereby the individual, the corporation, and the municipalities may be saved from the harsh terms of their creditors.

Fifth. Provision is made for loans to industry where they furnish assurances of employment to the labor of the country.

CONCLUSION

There are those who are out of step with the program of the President and the Congress. President Roosevelt has dubbed them "Tories." The President has said very frankly that he expected to make mistakes, and no doubt he will continue to make mistakes, but there is no question in the minds of the vast majority of the American people that so far, with the loyal assistance of a sympathetic Congress, he has made a good job. These accomplishments have been manifold. They have prevented a national catastrophe, because a thoughtful citizen must realize that when Mr. Roosevelt took over the reins of the Government and called this Congress into extraordinary session we were bordering on the precipice of a serious revolution. To say the least, that has been averted. The President and the Congress have been enabled to accomplish all of this only through the loyal support and cooperation of the final arbiters of the destiny of the Nation, the patriotic American people.

The Tories, who embrace the selfish, the self-seeking politicians, and those who would enrich themselves at the expense of the masses, may complain and criticize. But as for me, I am happy to have had a small part as a new Member of Congress in this colossal and constructive program. If it be the will of my constituents, I crave the opportunity to cooperate in the program which this great leader of the American people, President Roosevelt, has laid out for the Seventy-fourth Congress.

WORK OF THE POST OFFICE COMMITTEE IN THE SEVENTY-THIRD CONGRESS

Mr. MEAD. Mr. Speaker, a number of bills pertaining to the Postal Service have been considered by the Committee on the Post Office and Post Roads during the Seventy-third Congress, and for the information of the Members and others who are interested in our work I am inserting a brief summary of the measures reported favorably by the committee, and the subsequent action taken upon them by the House and Senate.

In the first group are the bills which have passed both Houses of Congress and have either been acted upon by the President or are at the White House under consideration; then follow the bills which were approved by the committee, but remained on the calendars of the House or Senate at the time of adjournment.

COMMITTEE BILLS PASSED BY THE HOUSE AND SENATE—SEVENTY-THIRD CONGRESS

The following bills have been submitted to the President. Those acted upon by him are so noted; the others are awaiting his consideration:

H.R. 3214. To compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn. (Signed by the President June 16, 1934.)

(Authorizes the Postmaster General to charge a fee for the extra work involved in cashing money orders at offices other than those on which drawn.)

H.R. 3845. To amend section 198 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916. (Signed by the President May 7, 1934.)

(To curb the practice of depositing statements of account, circulars, sale bills, etc., in letter boxes established and approved by the Postmaster General for the receipt or delivery of mail matter, without payment of postage thereon, by making this a criminal offense.)

H.R. 4224. To authorize the Postmaster General to hire vehicles from postal employees.

(Permits postmasters to hire vehicles from postal employees, except those filling supervisory positions, for use in the city delivery and collection service and in the village delivery and collection service. Extends the law which permits the hiring of such vehicles only from letter carriers.)

H.R. 5334. To amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec. 226). (Signed by the President June 11, 1934.)

(Publications produced by the stencil, mimeograph, or hectograph process not to be regarded as printed within the meaning of the act prescribing the conditions for entry of publications as second-class matter. For more than 30 years the Postal Laws and Regulations have contained a provision to this effect, and in order to eliminate contention it is being incorporated in the law.)

H.R. 5344. Granting a franking privilege to Grace G. Coolidge. (Signed by the President June 16, 1934.)

(Provides that all mail matter sent by post by Grace G. Coolidge, widow of the late Calvin Coolidge, under her written autograph signature, be conveyed free of postage during her natural life. This is a continuation of the practice in the past to grant the franking privilege to widows of Presidents of the United States.)

H.R. 5477. To fix the rates of postage on certain periodicals exceeding 8 ounces in weight. (Signed by the President June 5, 1934.)

(Extends to periodical publications weighing more than 8 ounces, 25 percent or more of whose pages are devoted to text or reading matter and not more than 75 percent to advertising matter, which are circulated free or mainly free, a flat rate of postage of 1 cent for each 2 ounces or fraction thereof.)

H.R. 6675. To authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service. (Signed by the President June 15, 1934.)

(Empowers and authorizes post-office inspectors and chief clerks and assistant chief clerks in the Railway Mail Service to administer oaths in respect to official matters, including oaths to accounts for travel expenses.)

H.R. 6676. To require postmasters to account for money collected on parcels delivered at their respective offices. (Signed by the President May 4, 1934.)

(Brings funds collected on c.o.d. mail at post offices within the category of public funds, and places upon postmasters responsibility for the safe-keeping of c.o.d. funds in the manner and to the same degree as for the safe-keeping of public funds.)

H.R. 7212. To remove the limitation upon the extension of star routes.

(Permits the Postmaster General to extend service on star routes, not to exceed 50 miles and at not exceeding pro rata additional pay.)

H.R. 7213. To provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer. (Signed by the President June 14, 1934.)

(Authorizes appointment of substitute laborers at the same rate of pay as laborers in post offices. Substitute laborers in the Railway Mail Service shall be paid for services actually performed at the rate of 55 cents per hour, and when appointed to the position of regular laborer the substitute service performed shall be included in eligibility for promotion to grade 2 on the basis of 306 days of 8 hours constituting a year's service.)

H.R. 7299. To authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof. (Signed by the President June 13, 1934.)

(This act provides that contractors shall also be answerable in damages to the United States for the proper care and transportation of the mails, and be accountable to the United States for any loss or damage resulting to any of such mail or any part of it by reason of the failure to exercise due care on the part of any of the contractor's officers, agents, or employees in the custody, handling, or transportation thereof.)

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.

(Authorizes the Postmaster General to provide for the collection of an additional fee of 10 cents for effecting the delivery by carrier or otherwise 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. It further provides for the refund of such fee, upon request, in the event of erroneous delivery or nondelivery due to some fault of the Postal Service.)

S. 3446 (H.R. 7302). To authorize the Postmaster General to receive, operate, and to maintain for official purposes motor vehicles seized for violations of the customs laws.

(Permits the use of seized vehicles by the Post Office Department in the enforcement of the postal laws and regulations.)

S. 3765 (H.R. 7310). To enable the Postmaster General to withhold commissions on false returns made by postmasters.

(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 cancelations 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.)

H.R. 7317. To provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party. (Signed by the President June 12, 1934.)

(This act provides that the decisions of the Postmaster General construing or interpreting the provisions of any treaty or convention which has been or may be negotiated and concluded shall, if approved by the President, be final and conclusive upon all officers of the United States.)

H.R. 7340.[1] To authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof. (This bill was recalled by the Senate after passage.)

(The law permits the Postmaster General to impose or remit fines on contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States for any unreasonable or unnecessary delay to such mails and for other delinquencies in the transportation of the mails. This act proposes that such contractors or carriers shall also be answerable in damages to the United States for the proper care and transportation of the mails, and be accountable for any loss or damage resulting to any of such mail or any part of it by reason of the failure to exercise due care on the part of any of the contractor or carrier's officers, agents, or employees in the custody, handling, or transportation thereof.)

H.R. 7343. To remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service. (Signed by the President June 5, 1934.)

(Clerks in the highest grade in their respective lines or other assignments shall be eligible for promotion to positions of clerks in charge in said lines or corresponding positions in other assignments, and clerks assigned as assistant chief clerks and clerks in grade 6, or higher rank, in their respective divisions, shall, after 1 year of continuous service in such capacity, be eligible for promotion to positions of chief clerks in said division for satisfactory, efficient, and faithful service, under such regulations as the Postmaster General shall prescribe.)

H.R. 7348. To amend section 3937 of the Revised Statutes.

(Authorizes the handling of mail matter, which is deposited in post offices without the postage being wholly paid, as dead letters, and permits the handling of such matter in adjoining cities or centers of population instead of sending them to Washington, as is now the practice.)

H.R. 7483. To provide minimum pay for postal substitutes. (Vetoed by the President Apr. 30, 1934.)

(Guarantees postal substitutes a minimum of 100 hours of service in each calendar month at the rates fixed by law and establishes the ratio of substitutes to regular employees to be established in the future.)

H.R. 7670. Relating to conveyance of letters by private hands without compensation or by special messenger employed for the particular occasion only.

(Makes it unlawful to transmit more than 25 letters or packets outside of the mails by special messenger without prepayment of postage.)

H.R. 7711. To permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service.

(Increases the duties of the postmasters so that they may pay the traveling expenses of officers and employees of the Postal Service in order to permit prompt reimbursement.)

H.R. 7966. To authorize the Postmaster General to make temporary contracts for carrying the mails by air, and for other purposes. (Signed by the President Mar. 27, 1934.)

(Confers full authority upon the Postmaster General to conduct the Air Mail Service directly by giving him authority to receive from the War Department the necessary airplanes and equipment and air fields for a period of 1 year after the date of passage of this act.)

S. 3764 (H.R. 8245). To reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

(Reduces the fees to accompany applications for entry as second-class matter of publications having a circulation of not more than 2,000 copies to $25, and of publications having a circulation of not more than 5,000 copies to $50, and provides for the refunding of one-half the fees when the application is not approved.)

H.R. 8460. To amend section 392 of title 5 of the United States Code.

(Extends the powers of the Postmaster General by permitting him to adjust and settle claims for damages caused by the negligence of any officer or employee of the Post Office Department or Postal Service acting within the scope of his employment when such claims do not exceed $500.)

S. 2922 (H.R. 8701). To fix the rates of postage on reading matter for the blind. (Signed by the President May 9, 1934.)

(Extends the provisions of existing law governing the acceptance of certain matter for the blind for mailing free of postage or at reduced rates so as to include sound-reproduction records.)

H.R. 8919. To adjust the salaries of rural letter carriers, and for other purposes.

(Reclassifies the salaries of rural letter carriers and increases their equipment allowance.)

H.R. 9046. To discontinue administrative furloughs in the Postal Service.

(The provisions of section 9 (a) of the Independent Offices Appropriation Act, 1934, relating to rotative furloughs, and such provisions as continued and amended for the fiscal year 1935, shall not apply to the Postal Service. The number of employees in any branch of the Postal Service shall not be reduced beyond 5 percent in any one year, by reason of the discontinuance of any authority for granting furloughs, below the number as shown on the pay rolls of employees in service during the month of January 1934 after deducting the number who have been removed from the pay rolls after the effective date of this act by reason of death, normal retirements, or resignation.)

S. 3766 (H.R. 9120). 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.

(To relieve postmasters of responsibility for losses of internal-revenue stamps and Federal migratory-bird hunting stamps, resulting from burglary, fire, or other unavoidable

[1] H.R. 7340 has not been submitted to the President in view of the Senate's request for the return of the bill.

casualty, and for the loss by bank failure of postal funds deposited in National or State banks.)

H.R. 9392. To reclassify terminal railway post offices. (Signed by the President, June 14, 1934.)

(Establishes the terminal railway post-office system and defines its functions; provides for successive promotions of the railway postal clerks in these terminals to grade 4. Clerks in charge of terminals, tours, or crews consisting of less than 20 employees shall be of grade 5. Clerks in charge of terminals, tours, or crews consisting of 20 or more employees shall be of grade 6. When a terminal railway post office is operated in three tours there shall be a relief clerk in charge. The clerk in charge of terminals having 75 or more employees shall be of grade 7. No employee in the Postal Service shall be reduced in rank or salary as a result of the provisions of this act.)

H.R. 9867. Amending the Independent Offices Appropriation Act of 1935.

(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 and other officers and employees prior to July 1, 1932, and subsequent to June 30, 1932, shall be credited to the officers or employees and such officers and 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.)

(Substitute clerks in first- and second-class post offices and substitute letter carriers in the City Delivery Service when appointed regular clerks or carriers shall have credit for any fractional part of a year's substitute service in determining eligibility for promotion to the next higher grade following appointment to a regular position.)

S. 822. An act 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.

(The transmission in the mails of poisonous drugs and medicines may be limited by the Postmaster General to shipments of such articles from the manufacture thereof or dealer therein to licensed physicians, surgeons, dentists, pharmacists, druggists, cosmetologists, barbers, and veterinarians, under such rules and regulations as he shall prescribe.)

S. 3170. To revise air-mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy. (Signed by the President June 12, 1934.)

(Reduces the rate of postage on air mail to 6 cents for each ounce or fraction thereof, effective July 1, 1934; provides for the awarding of air-mail contracts and the fixing of rates of compensation; and creates an Aviation Policy Commission for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto.)

H.J.Res. 366. To simplify the administration of air-mail routes and contracts.

(Amends the act of June 12, 1934 (S. 3170, Public Law No. 308), by directing the Aviation Policy Commission to review the designations of air-mail routes made by the Postmaster General, and defining the number of contracts which may be held by any one person; 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.)

COMMITTEE BILLS REMAINING ON THE CALENDARS OF THE HOUSE AND SENATE AT THE TIME OF ADJOURNMENT

Passed by the House and reported in the Senate:

H.R. 9595. To increase the compensation of letter carriers in the village delivery service.

(Readjusts the salaries of carriers and substitutes in the village delivery service.)

Passed by the House and referred to the Senate Post Office Committee, but not reported in the Senate:

H.R. 1626. Granting equipment allowance to third-class postmasters.

(On and after July 1, 1934, postmasters at third-class offices in which post-office fixtures and equipment are not provided by the Post Office Department shall be paid, as allowances for personally owned or rented post-office fixtures and equipment, an amount equal to 50 percent of the box rents collected at such offices, the allowances to be paid quarterly, under such rules and regulations as the Postmaster General may prescribe: *Provided*, That when post-office fixtures and equipment are furnished by the Post Office Department at post offices of the third class the provisions of this act shall become inoperative.)

H.R. 7023. To amend section 213, United States Penal Code, as amended.

(The prohibitions contained in section 213 of the United States Penal Code, as amended, shall not apply to a newspaper which does no more than announce the names of the winners, or the list of prizes, in a lottery or drawing conducted by a local church, civic, charitable, or fraternal organization, or by the local chapter, lodge, or other like unit of any such organization which is not itself local in character.)

Reported by the committee but not passed by the House:

H.R. 3384. For the relief of Ralph C. Irwin.

(The appointment of Ralph C. Irwin as regular village letter carrier at Brea, Calif., on the 16th day of March 1929 shall hereafter be held to have been regularly and duly made as of that date, and he shall be entitled to compensation from that date in accordance with the laws and postal regulations governing appointments and promotions for length of service.)

H.R. 7088. To amend the provisions of laws relating to appointment of postmasters.

(Permits the Postmaster General to designate an acting postmaster upon the expiration of the term of the incumbent and pending the appointment of a regular postmaster.)

H.R. 7392. To authorize the Post Office Department to hold railroad companies responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the railroad company or an agent or employee thereof.

(Railroad companies shall be answerable in damages to the United States for the proper care and transportation of the mails, and be accountable to the United States for any loss or damage resulting to any of such mail or any part of it by reason of the failure to exercise due care on the part of any of the company's officers, agents, or employees in the custody, handling, or transportation thereof.)

H.R. 8999. To amend the postal laws relating to the appointment of acting postmasters.

(Any person designated as acting postmaster shall receive compensation retroactively from the time he began to perform the duties of postmaster in the office for which he is so designated. If in any case it should become necessary for some person having proper access to the office to assume the duties thereof pending the designation by the Postmaster General of some person to act as postmaster, the person so assuming and duly performing such duties shall receive the compensation payable in the case of a regular postmaster in such office during the period of such assumption of duties: *Provided*, That any civil-service employee so designated shall retain any rights accruing from his civil-service status.)

H.R. 9241. To authorize the Postmaster General to award 1-year contracts for carrying air mail, to establish a commission to report a national aviation policy, and for other purposes.

(NOTE.—This bill is covered by S. 3170.)

H.R. 9355. To increase the postage charge for the return of dead letters and to provide for the collection of a registry fee upon such letters when containing money.

(When letters are returned from the Dead Letter Office to the writers, a fee of 5 cents shall be collected at the time of delivery, and in addition a charge shall be made of the regular registry fee for the return of all ordinary dead letters containing $1 or more in cash, under such rules and regulations as the Postmaster General may prescribe.)

H.R. 9756. To authorize the establishment and maintenance of an industrial plant at Reedsville, W.Va.

(The Postmaster General is authorized to utilize such funds, not exceeding $650,000, as may have been allocated by the Public Works Administration, or may hereafter be so allocated, for the erection and operation, including the engineering and other technical services, of an industrial plant at or near Reedsville, W.Va., to manufacture and supply necessary post-office screen lines and appurtenances thereto. The bill does not include the manufacture of furniture.)

H.R. 9966. Amending the act of May 23, 1930, authorizing the Postmaster General to impose demurrage charges on undelivered collect-on-delivery parcels.

(Extends the free-retention period to 20 days on domestic C.O.D. parcels.)

"BUILDERS OF GOOD CITIZENSHIP" IN A WORLD SEETHING WITH NATIONALISM

Mr. RAINEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by myself at the banquet of the Civitan International, Toronto, Canada, June 26, 1934:

Gentlemen of the Civitan International, this organization is now international in its scope and influence and it is particularly appropriate that this convention of the Civitan International should be held in the Dominion of Canada, with whom we have been on friendly terms, and until recently, in close trade relations, for a period of over 100 years. For 100 years the peace of the two great English-speaking nations of the Western World which we have sworn in solemn convention forever to maintain has been unbroken. While other nations in other parts of the world are feverishly fortifying their boundaries the longest international boundary line in the world—between these two great nations—remains unfortified, furnishing an object lesson of peace and good will, friendship and confidence, which can be found in no other section of the world. The four awful Horses of the Apocalypse seem to be riding, always riding—over the war-torn nations of the Balkans—over the boundaries in Asia, between Russia and Japan—over the boundaries in Asia, between Manchuria and China—over the boundaries of Europe, between France and Germany—over the swamps in the great No Man's Land which divide Bolivia and Paraguay. Peace reigns here along this, the longest international boundary in all the world.

THE ORIGIN OF THE CIVITAN INTERNATIONAL

This organization had its origin in a southern city when the magnolias were blooming and when the nations of the world were engaged in the greatest conflict in history, and just after the United States of America had been irresistibly drawn into the awful vortex of the World War. It was easy then to be patriotic and to make sacrifices. Bands were playing, flags were flying, khaki-clad soldiers were marching and news of victories for our Allies was coming always from the battlefields of France.

We are engaged now in another war, more important, more serious, than the World War—a war in which we are compelled to face the dull realities of life. There are not flags flying, no soldiers marching, no bands playing. But in both these great countries where this organization flourishes men are courageously facing the economic problems which confront us and are trying, and successfully trying, to work out a solution.

THE BUNKER HILL DAY CELEBRATION IN 1917

I think the most important patriotic celebration in New England was the Bunker Hill Day celebration of 1917, just after the United States had entered the war. I had the honor of being the speaker at this Bunker Hill Day celebration. I recall a stirring episode connected with the Bunker Hill Day celebration of 1917. The speakers' stand was located at the bottom of the hill. Thousands of people were assembled in the square which surrounds the monument which surmounts the hill. The Canadian Zouaves were there with their brilliant uniforms; made up entirely of wounded and disabled soldiers. They had come over to the United States for the purpose of helping us in our work of recruiting our armies. A flight of steps from either side of the hill leads to the monument at the summit. Some ships of the American Battle Fleet were in the harbor. The Canadian Zouaves, carrying the British flag, and led by the ranking officer of the organization, marched up the steps on one side of the hill, while the American Marines, led by the ranking American admiral, marched up the steps on the other side of the hill carrying the American flag. The bands played alternately the American national anthem and God Save the King. The march was so timed that the two columns met at the summit of the hill—British flag and American flag meeting on Bunker Hill for the first time since the Battle of Bunker Hill.

Today around this banquet board are assembled the members of the Civitan International, and again representatives of both great nations meet. There is no clash of arms now, but the battle against the depression is on and victory may not be far away.

For a decade this organization has been international. The representatives of its organization here in Canada and the representatives of its organization in the United States are here tonight—builders of good citizenship all. In the old city of Geneva, in Switzerland, devoted always to world peace, a club of this organization flourishes. On the walls at the gate of an ancient city in Europe not far from the headquarters of the Geneva branch of this organization—where the waves of civilization for centuries have ebbed and flowed—is a simple bronze tablet upon which is inscribed, "To the memory of Woodrow Wilson, President of the United States, founder of the League of Nations." You here in Canada are connected with this great organization. In the United States in a hundred ways we have recognized it and are cooperating with it and are appropriating money to aid in its activities. Its services are always available to nations which desire to promote and to preserve peace, always available to nations which desire to establish and to maintain more friendly relations.

At the present time the world is seething with intense nationalism. Every nation has erected great tariff barriers against every other nation. Every nation in this world is apparently trying for economic self-sufficiency. Every nation is engaged in a trade struggle for itself and a struggle against all other nations. Trade peace between the nations seems far away. No nation in this world can really prosper unless every other nation prospers. The nations must trade with each other. No nation can be self-sufficient. Tariff barriers grow higher and higher. The strain on the patience of the citizens of every nation grows more and more intense. The struggle for economic sufficiency, it seems, apparently will not end even in the distant future.

NAPOLEON AND RUSSIA

One hundred and twenty-two years ago the great Napoleon was advancing upon the Russian capital at the head of an army of half a million men, riding in person at the head of crushing squadrons of cavalry with nodding plumes; in all the history of the world no such magnificent aggregation of armed men had been assembled as this. Cities had thrown open their gates; kingdoms had capitulated. He was apparently soon to become the master of the known world. His power was apparently never greater; he was apparently never more secure; but at that very moment his crushing defeat and banishment to an obscure island in the Mediterranean was less than 4 years away. So—the end of the great world depression; the tearing down of tariff walls; the end of economic nationalism and the restoration of world prosperity may be much less than 4 years away.

WHO IS THE CULPRIT IN THE MATTER?

It is not difficult to answer this question. Immediately after the expiration of the Wilson administration we in the United States inaugurated our policy of economic nationalism. We had suddenly become a creditor nation and we commenced to loan large amounts of money abroad; we commenced to build up our tariff walls. The policy we attempted to put in effect was a policy which, it was contended, would enable us to sell our goods to every nation in the world, and we expected confidently never to be compelled to accept pay in goods and services, but always in gold.

Our international trade commenced to dwindle. One thousand five hundred American economists warned against adoption of our nationalistic policies. The nations of the world protested. Germany insisted that she could pay her obligations only in goods. She called attention to the fact that notwithstanding our unparalleled economic development we were entering upon a policy which would keep her from paying us what she owed us, and if that policy were adopted by the rest of the world, she could not pay other nations what she was owing them. With supreme indifference we violated economic laws.

Seven or eight years ago our balance of trade, then much larger than it is now, did not amount to as much as the interest payments other nations were making to us. In other words, we were getting more for the money we had sold abroad than for the goods we sold abroad, but they were paying us with money they borrowed from us.

The inevitable result followed. Other nations were compelled to adopt our policy of nationalism, and they have made a success of it. They have built up their tariff walls until they are higher than ours, and today in 1,800 branch plants back of their tariff walls in other nations American companies, with American capital, are manufacturing the goods we a few years ago manufactured, using our own labor and our own raw materials. American companies are manufacturing now, utilizing the labor and raw materials of the countries where they operate their branch plants, and the flight of American capital still continues. They are becoming mechanized at our expense, and they seem to like it.

Our Reciprocal Tariff Act has now been enacted into law. It has for its object the restoration of international trade by establishing reciprocal relationships between our country and other nations. Tariff walls must be lowered. It is claimed that today it costs $2,500 to buy in Italy an automobile which sells in the United States for less than $600. We are mechanized as no nation in the world has ever been mechanized before. Even our farms are becoming mechanized and require less labor.

Food, clothing, and shelter are the necessities of life. For this purpose alone Germany and France can utilize 50 percent of their labor. Italy, which is mechanized to a still less degree than France and Germany, can utilize 65 percent of its labor in supplying its nationals with the necessities of life. In the United States it is claimed that 23 percent of our labor is supplying our nationals with the necessities of life. Under ordinary world conditions, this would be a condition upon which we could congratulate ourselves; but world conditions are not ordinary, and the question which presents itself to us at the present time with tremendous force is, What is to become in the near future of the other 77 percent of our labor? If we are going to completely relieve unemployment, what labor produces above what we consume in the United States must go abroad or men must continue idle.

Our resources are so great that until now the conditions I am attempting to outline have never been particularly dangerous. They are dangerous now. We have been able to return millions of men to work. On the 4th day of March of last year probably 14,000,000 men were out of work. Seven or eight million of these unemployed are still out of work, and while we have succeeded in putting millions to work, our relief rolls have not substantially decreased in number, if they have decreased at all. The reason for this extraordinary situation can be found in the fact that the men we have been able to put back to work are the men who are skilled in the trades or who can operate machines while millions of ordinary laborers, anxious to work, are still on the relief rolls.

We are embarking now, in order to relieve this class of unemployment upon the most extensive program of public works ever undertaken by any nation in the history of the world, and the appropriations have been made—appropriations for roads, for rivers and harbors, for shipbuilding, for public buildings—appropriations which contemplate not only the employment of more and more skilled laborers but the employment of unskilled labor, back in the quarries, back in the places where material is furnished.

The strain upon the nationals of other nations which are struggling to be economically independent is tremendous. They are feeling it more than we are. They need the things which we can produce cheaper than they can. In Switzerland at the present time the price of wheat is being maintained by tariffs and by a quota system at $1.50 per bushel, and the people of Switzerland are commencing to complain. American automobiles are the best and the cheapest. The nationals of other nations are now complaining of conditions which make it necessary for them to pay three or four times as much for an American automobile as we pay in the United States.

SILVER

In Washington we are approaching the period when we will substantially broaden our metallic base by including silver, and the time is rapidly approaching when this will be done. Word comes to us that the financiers of England are viewing this condition with intense alarm.

It is proposed, first, to attempt to remonetize silver by international agreements and international cooperation, but if this fails we are going to do it ourselves. Half the world is demanding silver as its monetary metal, and this is the half of the world with which both Canada and the United States can trade.

We have so far been able to prevent inflation. The disasters happening to Germany and France are too recent to be ignored, but an increased use of silver is not inflation. An issue of notes based on silver will have that velocity back of it which will keep it in circulation here and all over the world.

What we are trying to do in the United States is to restore buying power, and the way to do it is to commence negotiations with other nations for a lowering of tariff walls by reciprocal arrangements, and to commence a broadening of our metallic base by use of silver. Silver circulation and tariff reductions will go along hand in hand. We cannot solve the problems which confront us by destroying our recovery program, and those who in the United States advocate a return to the conditions which prevailed prior to the 4th day of March of last year are not rendering the patriotic service they ought to render in the present grave emergencies which confront us. Fortunately the Literary Digest poll and the elections which are being held everywhere indicate that the great masses of the people in the United States are back of the President of the United States and are back of the administration program, supporting it patriotically.

We have had enough of the old days of laissez faire, rugged individualism, and control by big business. Commercial organizations which advocate a return to the old methods which have brought disaster to us and to the whole world are not rendering the patriotic service they ought to render at the present time. In the United States we are legislating now for the debtor classes and we propose to continue that character of legislation. The leadership of big bankers and captains of industry is no longer possible. We are proceeding without this kind of leadership and leaders of this character are not being consulted.

THE "BRAIN TRUST"

One way of attacking our recovery program is to challenge and ridicule the so-called "brain trust." There is nothing of the kind in Washington. Big business has employed always economists and specialists, and we are bringing to Washington this character of men. We are proceeding in our recovery efforts with the assistance of trained economists, and all this stuff about a little red house in Georgetown and about a control by college professors is sheer and absolute nonsense. We are going to continue in our recovery program to adopt the methods heretofore adopted by big business and to employ trained economists, and we are doing it. These men are working long hours in Washington—12 or 14 hours a day—giving to the Government the best service they have been trained to render, and we are not going to give up this kind of assistance.

Another method of challenging the recovery program in the United States is to insist that the leadership of the House and the President are not in accord. Statements of this kind are absolutely false and malicious. The leadership of the House, and the House itself, is cooperating enthusiastically and in every possible way with the President of the United States and will continue to cooperate.

WAR AGAINST DEPRESSION

This is a war against depression in which we are now engaged. It is more difficult now to inspire patriotic cooperation than it was during the period of the World War. Bands are not playing, flags are not flying, khaki-clad soldiers are not marching through our streets. It cost the United States $41,000,000,000 to assist in winning the World War. It will cost us less than $15,000,000,000 to win this war against depression, and we are not going to hesitate to expend it.

Already we have averted the economic collapse toward which we were rapidly proceeding on the 4th day of March of last year. Our plunge toward economic chaos has been halted and we are proceeding now in the other direction.

We have insured the deposits in practically every bank in the United States and no insured bank has failed; 54,000,000 depositors enjoy now complete protection. It is not possible to find a single phase of our recovery program which has not been launched, directly or indirectly, for the purpose of helping every class and every group in the United States. Our Federal credit has been completely reestablished. We are financing home mortgages and farm mortgages. The present administration in the United States, under a great leader, has been doing in a new way the new things which are necessary in order to start the country on the road back to better times.

It has been charged that during the period of the Roosevelt administration there has been an enormous increase in our national debt. On February 28, 1933, we had in cash in our Treasury only $221,000,000; on the 31st day of March of this year we had in cash in our National Treasury over $2,000,000,000.

GOVERNMENT UNDERWRITING

What we have really been doing is to underwrite investments, taking from industries their securities. We have made loans to banks, to insurance companies, loans to farmers, to municipalities, taking back from them on account of this character of loans their securities. We have loaned a large amount of money, and all of it, when the new deal has succeeded, will come back again.

A NEW METHOD OF APPROACHING THE NATIONAL DEBT IN THE UNITED STATES

On the 28th day of February 1933 our public debt, less cash and securities, which the Federal Government controlled, amounted to only $6,225,000,000. On March 31 of 1934 our public debt, less cash and securities, amounted to only $8,264,000,000. It had increased a little over $2,000,000,000, a negligible amount.

In giving these figures I have not estimated the increment on gold which we have obtained by revaluing the gold dollar. Inasmuch as this revaluation of the gold dollar will continue through the years, this is a perfectly legitimate item to include in this estimate, and this increment amounts to $2,810,000,000, and if this is to be considered, on the 31st day of March of this year our public debt, less cash and securities, was $771,000,000 less than it was at the end of the Hoover administration.

But from now on we propose to expend a large amount of money without taking back securities. From now on and during the next 12 months of time we expect to expend on public works more money than has ever been expended by any nation in a like period of time in the history of the world, and we are going to do it fearlessly. This expenditure, while not evidenced by securities, adds to our national wealth, and it gives to men now out of employment, employment. It will restore the buying power of millions of citizens.

As compared to the dismal conditions of gloom and depression which prevailed in every section of our country in March of last year, the accomplishments of our recovery program have been marvelous and without a parallel in the history of the world. We have been pulling down the mountain tops of the very rich; we have been raising the levels of the valleys in our new methods of taxation, and this work still continues and will continue. The people of this Nation are not heeding the unsound warnings of organizations which represent big business.

For a little while we may be compelled to be a smaller America. For a little while we may be compelled to permit fertile lands to lie out of cultivation. For a time the output of our factories may be curtailed, but we are approaching, in the United States, rapidly another era of big business, big business in which the ordinary man will participate; the kind of business which will not concentrate the wealth of the country in the hands of a few. We are going to preserve our capitalistic system; there is no room for communism in our Republic; we are going to preserve it in such a way that the masses of the country will participate in its benefits. We cannot accomplish a recovery overnight; it will take time. There may be casualties; there will be, but we hope to make them as few as possible. We are rapidly proceeding now toward the new day which is already dawning.

FUNCTIONS OF THE CIVITAN INTERNATIONAL

This great organization, functioning now within the boundaries of three nations, all of them devoted to ideals of peace and good citizenship, has its work to do. Its motto, "Builders of good citizenship", applies now with a greater force than ever before in the history of the world. Good citizenship means, first of all, unselfish devotion to the highest ideals; good citizenship means strenuous efforts within the nations where this organization flourishes to bring about better relations between the nations of the world. We cannot hate a people we know, and this organization, embracing now the two great peace-loving nations of the western world, and little Switzerland in the heart of Europe, has opportunities presented to it for bringing about better and closer relations between the nations, and better and closer relations must mean, first of all, an interchange of goods. Each nation must manufacture the goods it can manufacture best and trade them for the goods of other nations which other nations are best fitted to manufacture. In this way the building up of better and closer relationships between the nations can be best promoted. In this way, along this line, builders of good citizenship have today their greatest opportunity.

THE RAILROAD EMPLOYEES' RETIREMENT ACT

Mr. LEA of California. Mr. Speaker, in the closing days of the session Congress passed an act providing for the retirement of the employees of railroad companies.

This is the first contributory retirement insurance system for an industry established by law in this country. Both from a historical and an economic standpoint it is a matter of unusual interest.

The main features of this act are simple. The President is authorized to appoint a railroad retirement board of three members to administer the act.

Provision is made for a railroad retirement fund to be deposited as a special fund in the United States Treasury. It is to be made up solely by contributions from the carriers and their employees. The Secretary of the Treasury is authorized to invest the surplus funds in obligations of the United States. The proceeds are to accrue to the benefit of such fund.

The board is authorized to take the necessary action to compel contributions to the fund and to authorize payments therefrom.

All expenses of administration of the act and for the payment of annuities and death benefits are to be paid out of this fund.

The act includes express companies, sleeping-car companies, carriers by railroad, subject to the Interstate Commerce Act, and certain other subsidiary or affiliated companies. Street and suburban electric companies, unless operated as a part of a general steam railroad system, are not within the act.

An employee is anyone in the service of such a company, and who has been in such service within 1 year before the enactment of this measure, or shall hereafter be in such service.

ALL RAILROADS TREATED AS ONE

For the purpose of fixing benefits under the act the railroads of the country are treated as one. Each employee is entitled to accumulate his employment for all companies and for all time in establishing the length of his service.

Contributions are paid into the one fund by all carriers and benefits are paid therefrom, regardless of the length of service of the employee for any particular carrier.

Former employees receiving benefits under the private retirement system of carriers may, under rules and regulations established by the board, be brought within the provisions of this act as a substitute for the existing systems of retirement established by carriers.

It will be observed that employees so brought into this system from a private system of retirement would receive their benefits out of the common fund instead of from the funds of the particular railroad from which they have heretofore received their benefits.

A carrier who is now paying an employee a larger pension than that provided by this act would, in case of the transfer of the employee into this system, be required to pay such additional amount.

In case the board is unable to make satisfactory arrangements for the transfer of the existing private pension system into that provided by this act, the beneficiaries of the private system may be taken in under the provisions of this act.

CONTRIBUTIONS

The retirement fund is to be created from the contributions of the carriers and their employees and income from the investment of the surplus fund thereof by the Secretary of the Treasury.

Each employee is required to contribute a percentage of his compensation. Each carrier is required to contribute twice the amount of the contributions of its employees.

Until the board shall determine otherwise, the employee shall contribute 2 percent. When found necessary or desirable the board may, from time to time, change the amount of contributions required, but is not authorized to change the proportionate amount of the contribution as between the employees and the carriers.

The contribution of the employee is deducted by the carrier from his compensation and is to be paid by the carrier directly into the Treasury quarterly, or as ordered by the board. The carrier also makes its own contribution directly to the Treasury.

CHARGES AGAINST THE FUND

The retirement fund is the sole source for the payment of the costs of administration, of annuities, and the death benefits.

The cost of administering the act will probably be about $5,000,000 per year.

It will be necessary to keep an account of the employment and compensation of every railroad employee. There are now 1,215,000 employees subject to the provisions of this act and manifestly it is not a small job to secure the information and carry the accounts of this number of employees.

The board will have the power to require all carriers and employees to furnish information and records necessary for the administration of the act. Where the records of a railroad company are insufficient to establish the period of service of the employee the burden will be upon him to furnish such proof as the board may, by rules and regulations, require as necessary for that purpose.

ANNUITIES

An employee at the age of 65 years, or who has completed 30 years' service is entitled to an annuity on retirement.

The amount of such annuity will be based upon the length of his service, and the sum of the amounts determined by multiplying the number of years of service, not exceeding 30, by the following percentage of his monthly compensation: 2 percent of the first $50, 1½ percent of the next $100, and 1 percent of his compensation in excess of $150. No compensation in excess of $300 per month shall be computed for this purpose.

The annuity of an employee who has served 30 years and claims payment before he is 65 years of age will be reduced one-fifteenth thereof for each year less than 65 years of age at the time of the first annuity payment. The effect of this provision will be to prevent the payment of any annuity prior to 50 years of age, although the employee may have served 30 years. After that time the annuity can be collected only by such a sacrifice of amount that it will strongly tend to prevent applications for annuities until the employee approaches or has attained the age of 65 years.

Retirement at 65 years of age is compulsory except that the carrier and the employee may by agreement in writing extend the time of such retirement for 1 year successively, but not beyond the age of 70 years. This provision does not apply to an employee who occupies an official position in the service of the carrier.

Any employee who hereafter acquires the right to an annuity will be entitled to the same when he reaches 65 years of age, regardless of whether or not he may remain in the service of the carrier up to that age.

Any employee who after 30 years of service is retired on account of physical or mental inability to continue in active service, will be entitled to the full amount of the annuity, regardless of the fact that he may be under 65 years of age.

I submit an illustrated table showing the annuities on a monthly basis that will be paid under this act.

Average monthly compensation	20 years of service, age 65 and over	25 years of service, age 65 and over	30 years of service or more		
			Age 60 [1]	Age 62 [1]	Age 65 and over
$80	$29.00	$36.25	$29.00	$34.80	$43.50
$100	35.00	43.75	35.00	42.00	52.50
$125	42.50	55.13	42.50	51.00	63.75
$150	50.00	62.50	50.00	60.00	75.00
$175	55.00	68.75	55.00	66.00	82.50
$200	60.00	75.00	60.00	72.00	90.00
$225	65.00	81.25	65.00	78.00	97.50
$250	70.00	87.50	70.00	84.00	105.00
$275	75.00	93.75	75.00	90.00	112.50
$300 and over	80.00	100.00	80.00	96.00	120.00

[1] Assuming employee was not retired by the carriers on account of disability; if so retired the annuity would be the same as for an employee, age 65.

In determining the monthly compensation paid the employee one or the other of two standards are used, depending upon whether or not the computable service was rendered before or after the effective date of this act.

In computing the compensation for prior service the monthly compensation shall be the average paid to the employee for all pay-roll periods for which he received compensation out of the eight consecutive calendar years ending December 31, 1931. This period was accepted as a fair basis for determining the best average compensation, and obviates the necessity of establishing the records as to the compensation paid in all former employments prior to January 1, 1924.

The standard time for fixing the amount of annuities after the effective date of this act will be based upon the actual time of employment and compensation actually paid.

The average of expectancy at 65 years is 12¾ years. By multiplying the monthly annuity specified in the above table by 12¾ years, it will be seen that even the small annuities based on 30 years' service will bring a very substantial sum to such beneficiaries who retire at 65 years of age.

The average aggregate annuity for 30 years' service at $80 monthly compensation would be over $6,000, and for a $300 compensation over $17,000. Based on a $150 compensation for 30 years of service the average aggregate retirement benefit received over the 12¾-year period would be over $11,000.

DEATH BENEFITS

Upon the death of an employee, before or after retirement, an amount equal to his contributions to the fund, with interest at 3 percent, compounded annually from the time of his payment, less any annuity payments received by him, shall be paid, as he may have designated, or to his legal representatives.

It will be observed that the effect of this provision is to require annuities to be paid, first out of the contributions of the employee, plus the interest accumulations thereon. In case the annuities have not consumed such an amount at the death of the employee, the balance of such employee's contribution, with its accumulations, shall be paid to his beneficiaries.

Another effect of this provision is to require the expenses of administration to come solely out of the contributions of the carriers or the accumulations of their contributions. On the other hand, the carriers are relieved from the payment of annuities to the extent that the contributions of the employees are sufficient for that purpose.

COMPULSORY CONTRIBUTIONS

This is a contributory plan. It will be observed, however, that all sums contributed by the employee are returned to him, or to his beneficiaries at his death, unless the earnings from his contributions should exceed the 3-percent compound interest accumulations on his payments.

The enforced contribution from the employee is, in effect, a compulsory establishment of a savings account for his benefit, to which the employee is required to contribute 2 percent of his salary, or such other sum as the board may determine from time to time as necessary, not exceeding one-third of the total contributions required, to meet the liabilities created by this act. Having determined that a compulsory system for protecting employees against poverty and insecurity in old age is desirable, it is also determined that the employee himself should be required to definitely contribute to that end out of the compensation he receives preparatory to the time when old age will be upon him and the retirement period arrives.

COST OF THE PLAN

The final test of a retirement system is the practicability of carrying the burden of its cost.

It is roughly estimated that the annual contributions acquired by this act will amount to about $90,000,000 per year for the next 4 years—$60,000,000 from the carriers and $30,000,000 from the employees.

It is also estimated that the expense of carrying retirements for the first 4 years will not exceed the following amounts: $60,400,000, $68,400,000, $76,800,000, $90,300,000.

Based on these figures and deducting estimated costs of administration, the first 3 years should produce a surplus of over $80,000,000 and the fourth year would create no deficit. Prior to that time the permanent plan should be in operation.

INITIAL PROBLEMS OF A RETIREMENT SYSTEM

There seems to be no method of providing for an old-age industrial pension system except by introducing it piecemeal. This necessarily establishes an inequality in treatment of employees as between those who do and those who do not receive retirement benefits.

Under the piecemeal plan of introducing a retirement system the burden of carrying a system is placed upon a specific industry. Very many employments are such that it is impossible to attach the burden of retirement as a part of the labor cost. The employment may be too temporary or the responsibility of the employer too unfixed or too irresponsible to make the system feasible through industrial contributions.

So any universal scheme of financial protection against old age must ultimately look for a broader burden-bearing basis than industrial employers alone. This does not mean that we must or should defer all industrial retirement systems until an ideal plan is worked out. A more practical hope must be that through the experience with these industrial plans, with the hope of more perfect operation, we may develop an experience that will guide us to a more practical and adequate system. The particular difficulty is in seeking an equitable distribution of the burden of the plan.

The necessary theory of a private retirement industrial system is that the pension is a labor cost, the burden of providing it is a charge against industry. The annuity received is a part of the compensation for the service rendered.

The burden of pension retirement must, in part at least, ultimately fall upon labor. The annuities paid subsequent to the retirement of the employee must be charged against operating costs by the employer and, in part at least, be passed on to the consumer. The employee must regard his annuity payment as a part of his compensation, a part of his compensation designedly deferred for the purpose of protecting him against the financial insecurity of old age.

One difficulty in establishing an industrial pension system is the proportionately large number of aged employees who have or will contribute little or nothing toward meeting the burden of the system.

The seniority rule prevails in railroad employments with the result that in times of large unemployment the younger men are discharged and a proportionately larger number of the older employees remain in the service. At the present time the average age of a railroad employee in the United States is 52 years. This means that the average employee is within 13 years of the retirement age. He will contribute for 13 years only, although the benefits he will ultimately receive may be based upon 30 years of service.

This situation means that the cost of meeting the obligations under the retirement system will increase successively for 25 or more years to come. The peak load carrying the system will not be reached before 25 years.

Any farsighted plan of employee retirement must anticipate the reduced expenditures required to meet the current obligations in the early years of the plan and the constantly increasing amounts required to carry the burden in future years. A system that requires contributions only sufficient to meet current liabilities would be wholly inadequate.

Under the system adopted in this bill the benefit payments will substantially rise during each of the first 4 years, but the contributions required will leave a substantial surplus out of the receipts for those years. It is improbable, however, that the percentage of contributions required under this act will be sufficient to maintain the system on a solvent basis permanently. It will be necessary eventually to provide higher contributions from the employees or the carriers, or both, or reduce annuities.

It is in part a recognition of the necessity of working out a permanent, enduring, and solvent plan that this act provides that within 4 years the board shall make a special report to the President and Congress with recommendations for such changes in this retirement system as may be necessary to assure its adequacy and permanency. The experience gained under the administration of this act, pending such a report, will be an invaluable preparation for the more permanent system that this act contemplates.

It is to be hoped that the board will proceed to make such report as diligently as preparation and prudence will permit.

ACCOMPLISHMENTS OF PRESIDENT ROOSEVELT AND THE SEVENTY-THIRD CONGRESS

Mr. SABATH. Mr. Speaker, if the Republican financial and industrial leaders had the interest of the country, or even their own best interests, at heart they would long ago have ceased their vicious and unworthy attacks upon President Roosevelt, his administration, and this Congress.

The Republican leaders endeavor in every way to becloud and minimize the achievements of this great administration, evidently hoping that the people will forget the destruction and havoc that the Republican Party, controlled, as always, by the country's largest financiers and "big business" in general, brought upon the Nation during the Hoover administration. To me the effrontery and audacity of this coterie of money changers is nothing short of amazing.

If President Hoover and his administration, with the aid of the financiers and the "big business boys", had possessed one-tenth the amount of horse sense that has been displayed by President Roosevelt, the crash that they brought upon us through their avariciousness and disregard for fair business practices and ethics, if not prevented, could at least have been greatly minimized.

The strategists of the Republican Party for the last 3 months have been utilizing and feeding "issues" to the gentleman from New York, Mr. FISH; to Mr. BRITTEN; and, of late, to the gentleman from Kansas, Mr. MCGUGIN, believing them beneficial campaign material; and, unfortunately or premeditatively, they appear to be sustained or espoused by a misguided or controlled Republican press which itself has been benefited or saved from bankruptcy by this very administration.

It may possibly be that in some instances the press unwittingly has permitted itself to be used to give favored and wide publicity to these adroit attacks on the President and the Congress, but in many cases the newspaper publishers who have so greatly benefited by President Roosevelt's great recovery program have willfully gone out of their way to assail the administration. For instance, Mr. Frank Knox, publisher of the Chicago Daily News, returning from a trip to Europe, sends forth an intended mighty blast against the new deal. The facts are that the criminal inflation policy of the Republicans not only destroyed prosperity in America but laid low the European nations as well. He knows, or should know, that only the election of Franklin D. Roosevelt saved the United States from the terrors and withering devastation of a revolution in 1932. Instead of criticizing this administration Mr. Knox should publicly be thanking it for having saved for posterity the form of government that was handed down to us by Washington, Jefferson, and Lincoln.

MEN OF EXCELLENT REPUTE SHAMEFULLY USED AS DECOYS

The special interests during the Republican administration did not hesitate to inveigle into their operations some of our most popular and prominent citizens, men of such good repute as Colonel Lindbergh, Captain Rickenbacker, and even the sons of a President and a Vice President of the United States, and the sons of United States Senators. The manner in which they made use of these well-known names to further questionable and nefarious schemes is not only greatly to be regretted but is to be unequivocally condemned by all.

These same avaricious interests debauched not only the Post Office and Treasury Departments, some of these very men having been used to obtain millions in income-tax refunds and illegal air-mail contracts, but debauched our Army and Navy also, as is being disclosed by new evidence that almost daily is coming to light.

What particularly irks me is that the very men who destroyed private industry and debauched our governmental institutions are not only unmanly in denying the great progress and accomplishments of President Roosevelt and his administration but they add insult to injury by grossly and unwarrantably misrepresenting and shamefully disparaging his policies and purposes.

Also, I observe that our unworthy critics are charging that we have appropriated about $23,000,000,000 in the last two sessions of Congress. Wholly indifferent to truth, the Republican bosses try to prejudice the people by saying such large sums have been "appropriated"; but note carefully the fact that they do not say "expended." There is a vast difference between the two words "appropriated" and "expended." We have appropriated large sums, not to spend but to loan to banks, railroads, insurance companies, building and loan associations, farmers, home owners, to businesses, and have made available $5,000,000,000 for additional loans to industries, and to States, municipalities, and to schools; and all of the money loaned under this Democratic administration will be repaid. Never doubt that. And this will be in direct contrast to the loans made by the Republicans to such institutions, for instance, as the Dawes bank and to certain favored railroads.

The Republicans also neglect to point out that nearly $2,000,000,000 of the appropriations of this Congress were made to feed the hungry and starving, and to provide employment for 600,000 men, many of whom have served their country on fields of battle.

The real and honest truth is that this has been the most economical administration in many years, the actual cost of government having been reduced by more than 25 percent as compared with the Hoover administration. Surely, more men have been employed, but that was necessary for the purpose of putting into execution the many new governmental activities, such as the building of new public works like the Tennessee Valley enterprise and other projects designed in the interest of providing work for the 9,000,000 men still out of employment.

EVEN MANY BUSINESS MEN DECEIVED BY UNSCRUPULOUS PROPAGANDA AGAINST ADMINISTRATION

Not only has a large part of the public press been deceived by the continual barrage of misrepresentations plotted and guided by the President's detractors but what is to be regretted even more is the fact that many manufacturers and business men of the Nation are still permitting themselves to be hoodwinked by this insidious antiadministration propaganda. Purely political—Harding, Coolidge, and Hoover—12 years of misrule—inflation of values—the fictitious and criminal enhancement of stock and bond issues—financial riot—that "prosperity 'Hoovering' around the corner"—that subversion and rape of State banks—that castigation of the stability of national banks—untold failures of both—loss of homes and savings—decrees of courts even in the rural districts ignored or physically resisted—thousands of ruined business men driven to suicide—16,000,000 men out of employment! And now, after all this, we behold the spectacle of the very forces responsible for this havoc and destruction still fostering this deplorable and un-American propaganda against the man who saved the Nation.

Mr. Speaker, it is for this reason that I feel honor-bound to call attention to real facts, believing that everyone not blinded by prejudice will concede that never before in our history has an administration accomplished as much for the country in such a short space of time as has the administration of President Franklin D. Roosevelt.

No nation was ever so prosperous as was the United States during the years of the Wilson administration.

More people were employed at higher wages and higher salaries than in any period since the beginning of the world.

Wealth had been accumulated to such an extent that by the year 1920 this country had 33,000 millionaires.

The value of property and farm lands increased tremendously.

The total wealth of our Nation reached the enormous sum of $460,000,000,000.

From 1914 to 1929 our fields yielded tremendous crops, we increased oil and mineral productions, and our bank deposits reached nearly $50,000,000,000.

HOOVER HAD COUNTRY ON VERGE OF REVOLUTION

President Coolidge, President Hoover, as well as the great financier, Mellon, all maintained in 1927 and 1928 that we were on the verge of still greater prosperity. But, lo and behold, in 1929 there occurred the greatest panic in the history of the world, a panic that paralyzed 98 percent of the Nation's property values, so that on March 4, 1933, when President Roosevelt was inaugurated, every bank in the United States had to be closed, 80 percent of the plants, shops, and factories were closed, 16,000,000 persons were out of employment, millions of American citizens were pauperized, the life's savings of millions were wiped out, and hundreds of thousands of farms and homes were taken away from the owners, hundreds of thousands of persons were in the bread lines, municipalities, counties, and States were unable to feed the millions of unemployed, destitute, and hungry people, and menacing rumblings were heard all over the land. Those were the conditions—and who is here to deny it?—that existed on March 4, 1933. All this tragic misery and suffering was brought about through no act of Providence, but through the vicious, avaricious lust and greed of big financiers and business " leaders " of this Nation.

Notwithstanding such conditions, President Hoover and his administration, supported by the very congressional leaders who now noisily are assailing President Roosevelt, did not make a single effort to relieve the intolerable conditions of 1930, 1931, and 1932. President Hoover, Mr. Mellon, and other Republican leaders, refused to listen to the appeals of the masses, of municipalities, counties, and States, saying that the matter of relief was not the function of the Federal Government—that that was the sole duty of States and municipalities—this notwithstanding most municipalities and States already had shown themselves unable to cope with the situation or to provide sustenance for the destitute and hungry.

PRESIDENT ROOSEVELT WORKED FAST TO SAVE THE NATION

On March 4, 1933, President Roosevelt took control of the ship of state and within a week he called a special session of Congress. After a few days, with unheard-of speed, the Democratic Congress started to pass legislation making possible the reopening of many banks and the gradual reopening of factories. The President devised means whereby the railroads and insurance companies were saved from bankruptcy, and immediately started to advance funds to municipalities and States with which to feed their destitute and hungry. Within 15 months over 6,000,000 wage earners have been put back to work. Of the 95 percent of plants and factories that showed tremendous losses in 1931, 1932, and 1933, more than 50 percent today are showing profits. Men who had been forced to work for as low as $6 per week and women at $3 a week are now earning a living wage. Newspapers have increased their circulation by hundreds of thousands and their advertising by 500 percent. Something is being done for people in every walk of life.

Legislation has been enacted whereby we are saving homes of farmers and of city dwellers. Greedy financiers and bankers are being evicted from management of financial institutions and dishonest officials are being replaced by honest men. The credit of the Nation has been reestablished. Interest on our indebtedness has been reduced by nearly one-half. Gold heretofore owned and controlled by the few has been taken over by the Government for the benefit of the Nation, enabling the United States to increase its production and to export its surpluses. Legislation has been passed to regulate gambling stock exchanges. If Republican leaders, greedy bankers, and financial manipulators had any decency or farsightedness, and had the interest and the welfare of the Nation at heart, they would join hands with us and attain credit for cooperating in accomplishing relief of our suffering peoples. But again, foolishly, yes, ignorantly, they continue to minimize and hamper in every conceivable way, and oppose and retard our earnest efforts, finding fault with our every act, unfairly and dishonestly criticizing our achievements in the most ridiculous and unwarranted manner. All this in the hope they will be able to mislead and prejudice the people against one of the most courageous, able, and humane Presidents this Nation ever had. Regardless of your attacks and misinformation with which you are trying to feed the country, my Republican colleagues, you will not succeed in your dishonorable trickery. You may rave about the " brain trust ", about legalized murder, and bring forward hundreds of Wirts and red houses in Georgetown, deride the progressive and conscientious young men in our administration whom you slur as " wonder boys " and " punks "; you may ridicule our policy as being against the Constitution, and twittle about our gold and currency plans; yet the people will continue to trust the President and the Democratic Congress.

Therefore I advise you to desist in your filibuster and, instead, help us bring about the passage of laws the President has recommended, and let us adjourn as speedily as possible and go home to our districts; and instead of inflaming the unfortunate masses with your untruthful, insincere, rash, and ridiculous statements, tell them the truth—that every effort is being made by this administration to bring about reemployment, relief and better conditions for all. Desist from your destructive activities; repent and you may be forgiven.

ENTIRE NATION IS WITH THE PRESIDENT

I repeat that the plot to ruin the Roosevelt administration through misrepresentation in the Nation's newspapers has failed utterly. Unprincipled publicity racketeers have not been able to rob our great President of that enduring confidence and esteem which he has justly earned and so well deserves.

This is proven by the results of a Nation-wide poll on the popularity of the Roosevelt policies that has been going on for several weeks under the direction of the Literary Digest. This periodical always has been strongly Republican, but its various polls generally have been conducted fairly and with amazing accuracy. The Digest, for instance, predicted, weeks in advance of the election, the outcome of the last two Presidential elections, and the revolt of the people against prohibition.

With reference to the poll now being taken, of all the 48 States of the Union, Vermont, the rock-ribbed Republican State, is the only one that has not given our present President a substantial majority. This shows that his efforts and the present administration have complete and merited confidence of the people of this great Nation.

Mr. Speaker, I have, as you know, been a Member of this body for very nearly 28 years, all beautiful and inspiring years. I hope I may be pardoned for stating a fact of which I feel I am entitled justly to be proud. My record for continuous membership in this body is longer than that of any other of the 435 present Members of the House of Representatives. In a few words, I have been here a long, long time.

No Congress in which I have served, during this more than quarter of a century, has been more diligent, more conscientious, more able, more worthy, more aware of its responsibility than this Seventy-third Congress now about to close. Its record for meritorious legislation will be diffi-

cult for any future Congress to equal and impossible to surpass.

ROOSEVELT WON THE CONFIDENCE OF THE NATION BY HIS COURAGE TO ACT

It will be recalled by the entire American people that the Hoover administration went out of power proclaiming that prosperity was "just around the corner", when it was known to all men that in truth it was revolution that was just around the corner.

Mr. Roosevelt in his campaign speeches promised that, if elected, obnoxious prohibition laws responsible for the invisible and criminal "government by bootleggers" immediately would be repealed. This promise was carried out to the letter, as the entire country knows.

He promised, also, that no man would be permitted to go hungry or freeze during his administration. And, also, he kept that promise to the very letter. First and last, Franklin D. Roosevelt's innermost thoughts as President of the United States have been with the poor—the forgotten man.

President Roosevelt already has declared, in a message to Congress which amounted practically to a challenge to the money changers of Wall Street, that in the next Congress he would submit an additional program based on these three basic fundamentals:

First. Security of the home.

Second. Security of the worker in his job and assurance of his livelihood.

Third. Security of social insurance.

MAJOR ACCOMPLISHMENTS OF THE SEVENTY-THIRD CONGRESS

Among the principal accomplishments of President Roosevelt and the Seventy-third Congress, briefly stated, were:

Repeal of prohibition, which has resulted in millions in taxes going into the Treasury instead of to the bootleggers and racketeers.

Tottering banks have been placed on firm foundations.

Thousands of young men, unable to obtain employment, have found health and usefulness in Civilian Conservation camps.

Child labor practically has been abolished.

Among other major accomplishments of the Seventy-third Congress are:

First. Made record appropriations of $5,200,000,000, more than half of which was set aside for aid to the destitute.

Second. Passed the stock-market-control bill, bringing the Nation's securities exchanges under Federal regulation, which will prohibit, in the future, the robbing of investors, as occurred during the Hoover administration, resulting in the panic.

Third. Passed reciprocal tariff bill, authorizing the President to reduce or increase tariffs up to 50 percent and to make advantageous "Yankee" trade agreements with other nations.

Fourth. Passed Gold Reserve Act.

Fifth. Passed silver purchase bill authorizing nationalization of silver and establishing a bimetallic reserve composed of 25 percent silver and 75 percent gold.

Sixth. Passed general revenue bill providing for added income of $417,000,000 by increase of income taxes on the rich, who undeniably are best able to pay, but by decreasing them in the lower brackets.

Seventh. Passed communications control, placing the Nation's radio, telephone, and telegraph systems under Federal regulation.

Eighth. Passed administration air mail bill, establishing a new policy of air-mail contract awards, removing huge frauds against the Government by air-mail contractors from the Hoover administration.

Ninth. Housing Act, which will greatly benefit the small-home owner, provides for a billion-dollar home repair, modernization, and building drive intended to rehabilitate construction industry. A $200,000,000 fund is provided for home modernization loans. National mortgage associations are authorized. Home Owners' Loan Corporation capital is increased to $3,000,000,000. A mutual mortgage insurance system is authorized as well as a guaranty of building and loan association deposits.

Tenth. Railway labor bill, creating National Railroad Adjustment Board representing labor and industry.

Eleventh. Frazier-Lemke mortgage relief bill, providing for a virtual 6-year breathing spell to farmers unable to obtain readjustment of debts.

Twelfth. Crime bills giving Federal Government power to punish organized crime through interstate commerce, mail, and national banking laws.

Thirteenth. Bill giving Filipinos independence.

Fourteenth. Bankruptcy acts revised, providing for adjustment of municipal and corporation debts.

Fifteenth. Bill extending by 1 year temporary bank deposits insurance, and increasing the guaranty from $2,500 to $5,000.

Sixteenth. Passed labor resolution aimed at halting the threatened steel strike and averting other industrial conflicts.

Seventeenth. Bill to compensate widows and children of war veterans who served before November 12, 1918.

Eighteenth. Bill making available $580,000,000 for direct loans to industry, giving chance to many small but honest business men to get back on their feet.

IMPORTANT INVESTIGATIONS AUTHORIZED

The good work of the Seventy-third Congress will continue even after adjournment. Thirteen different investigating committees will be at work throughout the Nation delving into various forms of graft and conditions inimical to the welfare of the American people.

I have the honor to head one of these committees to investigate the working methods and operations of so-called "bondholders' protective committees" of real estate reorganizations, of bankruptcies, or of receiverships. No less than a million people in this country were complaining of the treatment they got in the reorganization of many real-estate failures. We will hold hearings in Chicago and elsewhere, and I promise that, as chairman of this select committee, I will go to the very bottom of this subject and will bring out all information leading toward saving every dollar possible for unfortunate bondholders.

I AM PROUD OF MY COOPERATION WITH THE PRESIDENT

Mr. Speaker, I am indeed proud to have been in a position to give my full aid and cooperation to the President in bringing about enactment of the excellent legislation recommended by him. I am gratified to have had opportunity and privilege of aiding the people in their hour of distress. The legislation placed on the statute books by the Seventy-third Congress shortly will bring relief to the needy and destitute of the entire Nation, whom it is intended to benefit.

I wish to be pardoned if, in closing, I call attention also to a few of the benefits that my own State, city, and district will derive from legislation enacted due to my own advocacy thereof. I refer to such accomplishments as the obtaining of the $40,000,000 loan and grant for the sanitary board; of the loan for the construction of the Cook County nurses' home; of the loan for the extension of Chicago's waterworks, and for the bridge over the Chicago River to connect Lincoln Park with the South Parks Boulevard system; of the appropriation of $175,000 for A Century of Progress; of legislation making possible pay of back salaries to Chicago school teachers and those of other cities.

Also, I sponsored a resolution to have the Government reimburse Chicago for approximately $100,000,000 expended on the great canal now owned by the Sanitary District of Chicago. I am also hopeful, and have assurance, that before the next Congress convenes, the proposed immense slum housing project in my district will have been started, and that the proposed airport on the site between Ashland Avenue, Throop Street, Twenty-second Street, and the Chicago River will be under way; that a new post office will be in course of erection in my district; and I am delighted at the prospect that a new, modern structure is to replace the present dilapidated, old, main city post office in Chicago now used by various governmental bureaus and offices.

I voted for, and helped to secure, passage in the House of the so-called "soldiers' bonus bill." Unfortunately it did not pass the Senate, but we did succeed in obtaining passage of an act aiding the veterans. I will do everything possible to obtain additional favorable action for the veterans in the next Congress.

I am pleased and gratified that I voted for and aided the passage of the Steagall bill, which not only will aid depositors in closed banks that were members of the Federal Reserve, but depositors both in State as well as National banks.

OLD-AGE PENSIONS AND UNEMPLOYMENT INSURANCE MY NEXT GOAL

In addition to the foregoing, I supported and aided much general legislation, such as that for stock- and grain-exchange control; the huge Public Works program; legislation for the repeal of the Prohibition Act; loans to States and municipalities to feed the unemployed; beneficial legislation on the silver question; investigation of post-office frauds, which will save the Government millions annually; bankruptcy and receivership investigations; and now, last but not least, the investigation of bondholders' protective committees.

I am happy to have been instrumental in bringing about these accomplishments, and I promise to continue my efforts on at least two other measures of progressive legislation upon which I have had my heart set for many years, namely, old-age pensions and unemployment insurance. To both I pledge my complete and active support.

THE FRAZIER-LEMKE BILL

Mr. AYERS of Montana. Mr. Speaker, under our specialized system of industry where every person is dependent upon some other for some service to be performed, let us realize and understand that everything is built upon farming and agriculture. Our specialized system of industry would soon fall if agriculture were not maintained, for it is the parent of all our industrial system. No other industry, trade, business, or calling could survive or exist without it; from it the Nation is fed and clothed, and upon it all most depend.

Our specialized system of industry may be likened unto and compared with a plant or a tree. The roots, body, and trunk of a tree correspond to farming and agriculture, and the limbs, branches, twigs, and leaves of the tree represent the other industries, trades, and callings. All the different parts of the tree are dependent, first, upon the roots, then upon the body and trunk. The different industries, trades, and callings cannot survive without farming and agriculture any more than the limbs, branches, twigs, and leaves of a tree can grow and survive without the roots, body, and trunk of the tree.

When the limbs, branches, twigs, and leaves of a tree are withered and dying from drought, we do not sprinkle the affected part but we promptly direct water to the roots of the tree, and this will be carried upward by the vital life currents to the affected parts. It is as equally folly, in trying to restore permanent prosperity to industry, trade, and callings, to start with them as it would be to try to bring back the growth of the tree by sprinkling the leaves. To restore permanent prosperity to industry, trades, and callings which have grown up around farming and agriculture, we must first restore farming and agriculture. That is what we call, out west, just ordinary "horse sense."

There is a difference in controlling and maintaining prices of industrial and manufactured commodities on one hand and the price and value of farm and agricultural products on the other. Prices and values of manufactured products are fixed, adjusted, and maintained arbitrarily by the determination of producers or by agreements among manufacturers, and are thereby controlled and maintained at will. Such action is impossible for farm and agricultural products and commodities because of the vast number of independent farmers and because of the elements and conditions under which they operate.

The prices and values of farm products and commodities are fixed and determined by the volume and supply of money in circulation controlling the general commodities price level. Under this, farm prices rise and fall as money in circulation is increased and decreased. History reveals to us and experiences within our own memory tell us that if the volume and supply of money is increased, farm prices rise in accordance with the increased volume of money. If the volume and supply of money is decreased, farm products fall with the decreased supply of money. If the volume of money is reduced by one-half, prices of farm products will fall one-half. If the volume and supply of money is doubled, farm prices will be doubled; in other words, farm and agricultural products are at all times subject to control by the volume and supply of money.

When this crisis, which we choose to minimize by calling it a depression, fell upon us, a greater volume of money was in circulation and higher normal values and price levels prevailed. The farmer was selling about one-fourth of his products to meet his taxes and interest; this left him the other three-fourths with which to buy, take, use, and consume the products of the mill, factory, manufacturer, and the workshop. But when the money was so speedily contracted, taken out of circulation, and collected into the hands of the few and reduced in volume and supply, it just as speedily forced down price levels and the farmer was soon compelled to sell all of his products, the entire four-fourths, to pay his taxes and interest, leaving him nothing with which to buy, use, and consume the products of the factory, mill, manufacturer, and the workshop. This destroyed the buying and consuming power of the 40,000,000 farm population and its dependents; that left both the employers and the employees of industry unable to consume their own output and production. This soon closed the factories, mills, and workshops and the employees of these places were then unable to purchase the agricultural products at any price.

From this we see that the failure and destruction of the farmer's purchasing and consuming power reached back through all the different industries, trades, and callings. It left the little merchant without his local trade, the wholesale house without sale, the factory, mill, and workshop without orders, all industry slowed down, and brought unemployment to labor, which in itself destroyed the buying and consuming power of another 30,000,000 people and their dependents. The whole industrial system resting upon farming and agriculture was left paralyzed, as was also farming and agriculture, and the people, except the favored few who had collected in the money, were left in want, suffering, and distress in the midst of plenty and abundance.

To build up a permanent restoration of prosperity, it must first be restored where it was first destroyed; therefore, we must start with farming and agriculture. To do this we must use the same power and means which were used to destroy it. The power of money was used to destroy prosperity, and the power of money must be used to restore it. The steps which were taken to destroy must be retraced in reverse order to bring back and restore prosperity. The volume and supply of money which was contracted and withdrawn from circulation must be restored back to circulation. If the withdrawal forced down values and the farm price levels, so the restoration of money back to circulation will raise values and farm price levels.

The Constitution vested in Congress the power to coin and issue money and regulate its value, but the Congress has long since surrendered and relinquished this sacred power to the Federal Reserve System and its banks, all of which is nothing but a private banking institution without obligation to the people or responsibility for public welfare. The power over money is in this monstrous concern which is issuing, regulating, and controlling the value of money in absolute disregard of the will of the people. These private bankers who were in control of our money system when this crisis fell upon us are today in control of our money supply and they are dictating the volume and value of it and are directing the credit and extension of it at will.

The President and this Congress have made many efforts to correct this situation in an orderly manner, but the fine hand of the Federal Reserve System and of the private international bankers are found reaching in on all sides.

Now, Mr. Speaker, this Congress should not adjourn until the power to issue money and regulate its value is taken from

the Federal Reserve and restored back to the Congress where the Constitution placed it. I have signed a petition to vote against adjournment until such legislation is enacted, and I hope that a majority of the Members may do likewise. If a majority will stand pat, we can get results.

Mr. Speaker, I started out to discuss only the Frazier-Lemke bill to refinance farm mortgages, but before I had well started on my preliminary remarks my friend, sitting beside me here, the gentleman from South Dakota [Mr. HILDEBRANDT], whispered to me, "Judge, tell them that the Federal Reserve and the international bankers contracted the currency and brought down farm prices", hence my diversion to let my friend and neighbor from South Dakota know that I knew what he was talking about, and to let him know that I knew he was right.

Mr. Speaker, I do hope that this Congress will not adjourn until we have been given an opportunity to vote for the Frazier-Lemke bill. This proposed legislation is not new. Senator FRAZIER has had it before the Senate for several years. It has had extensive hearings. It is understood by farmers all over the country. A great many State legislatures, from agricultural States, have sent in memorials asking for its passage. The petitions of farmers praying Congress for favorable action on this bill fill a dozen file cases. The farmers of the country know the difference between it and the present farm mortgage set-up. They know that under the present system a great part of the interest paid by them goes to private banking organizations, which are in fact loaning Government money. They know that under the Frazier plan their interest money would be paid into the Government Treasury, and they know that their rates would be reduced by more than two-thirds. They are opposed to that excessive middleman charge for the handling of Government money. They are right, and they are entitled to this legislation—the country is entitled to it. It helps everyone, except the money changers.

The Democratic platform of 1932 declared for better financing of farm mortgages at lower rates of interest, and it is up to us—the majority party of this Congress—to live up to that pledge by passing the Frazier-Lemke bill. It is the most necessary piece of legislation now before Congress. First, because it provides an honorable method for the farmer to save his home and farm, his means of livelihood, and permits him to continue as an independent home-owning farmer. Without independent home-owning farmers, the backbone of this Nation and the very backbone of civilization will be broken; and, second, this legislation is necessary because it provides for a reasonable, substantial, and necessary expansion of the currency, based upon a sounder foundation than gold—the producing and earning soil of the Nation.

Since this Congress convened in March 1933 Treasury reports disclose that we have had a decrease of the total money in circulation by about $960,000,000, equaling $8 per capita for every man, woman, and child in the country. It is therefore absolutely necessary, to my way of thinking, that this Congress take definite steps to increase the total money in circulation in order to raise the price level of farm commodities above the cost level of production and fixed charges such as taxes and interest.

It is true this Congress has reduced the interest rate to farmers borrowing from the Federal land bank. That is good, as far as it goes, but Congress should be willing to go far enough at least to give the farmer an equal break with the railroads, insurance companies, and bankers, all of which are really dependent upon him.

The railroads alone in the past 2 years have received Government loans, refunds, and adjustments amounting to more than $1,250,000,000, and their loans bear an interest rate of only a small fraction of that which is required of the farmer. This money being loaned to the railroads, in the most part, has its ultimate goal in the vaults of the banks, which only helps to further contract the currency.

The farmers of this Nation in general, and the farmers and ranchers and livestock men of my State, whose condition I know better than those of other places, but whose condition I am sure is no different, have been reduced to a state of practical serfdom through the operation of the money changers who contracted the currency and through the burden of unbearable interest rates. It is time that we begin to realize that if anyone else is to retrench then the collectors of interest must retrench. If the farmer is to take his loss, and the toiler is to take his loss, and the little business man is to take his loss, then the Shylocks who live by the toil of others must also bear their share of the burden.

The Frazier-Lemke bill involves the principles which will do justice to the men and women of America who are endeavoring to hold on to the property which they have acquired and which consists of producing lands, and which is not merely money property. The plan of this bill is profitable to the Government and profitable to the farmer, and when profitable to the farmer it is profitable to everyone in this country.

This bill allows the Government to control the issuance of money instead of delegating that power to the money lender. This bill will help to give producing property its just dues. In fact, it deals exclusively with producing property and has nothing to do with money property, hence the Federal Reserve and the international bankers are against it.

Mr. Speaker, during the special session, and soon after this bill was introduced in the House I signed a petition to bring it to a vote of the House. That petition was not a partisan political move and the signatures upon it disclosed that it is not of a political nature. The roll of the 145 signers on that petition shows almost an equal number of Democrats and Republicans, and it shows the signatures of all of the five Farmer-Labor Members. Among the signatures are the names of Members of prominence on both sides of the aisle. Until the closing day of this session it was impossible to get the required number of signers on that petition. The strongest lobby of the entire session was waged against that petition and the earmarks of the Federal Reserve and the international bankers were plainly seen in that lobby.

We who are supporting this bill are now arguing only that it be brought to the floor for consideration. We are simply asking for our day in court. We are only asking for the right to be heard. That right should not be denied us, and its denial is at the peril of the destruction of free representation.

To my Republican colleagues who say that this legislation is being held up by the Democrats, I answer: This bill was held up by both the Coolidge and Hoover administrations. The Republicans had power then to correct this evil, and they did not do it. During all that time they worshiped at the shrine of high interest rates and the property rights of money. The responsibility for the situation of today is on your heads, my Republican friends on that side of the aisle.

Now, to my Democratic colleagues who opposed this legislation, I say this: You are not keeping faith with the platform upon which you were elected in 1932, because that platform declared for the better financing of farm mortgages at lower rates of interest. The responsibility for curing the evil which has been carried on to this administration is on your heads—our heads on this side of the aisle—and I, for one, am willing to share any part of that responsibility and help bring this bill to the floor and to pass it.

The passage of this bill, together with the passage of an honest-to-God silver bill and not a makeshift silver bill like we have passed, and the enactment of the bill authorizing the payment of adjusted-service certificates will all work together to a sufficient and substantial expansion of the currency to the end that we will be brought back to prosperity with the same speed that it was taken from us. Let us do these things before we adjourn. Let us discharge our responsibility as men. That is what we were sent here for. Now, let us keep the faith.

THE CENTRAL VALLEY PROJECT OF THE STATE OF CALIFORNIA

Mr. ENGLEBRIGHT. Mr. Speaker, during this session of Congress I introduced in the House H.R. 9838, a bill authorizing the Secretary of the Interior to issue patent to the

Water Project Authority of the State of California for all public lands of the United States situated within the project boundaries of the Kennett Dam and Reservoir of the Central Valley project of the State of California. By the provisions of the bill the granting of these public lands will in no way adversely affect the rights of any settler or claimant under the mineral or public-land laws to complete a claim to any portion of the said lands which has been lawfully initiated, and the title of the Water Project Authority of the State of California is made subject to any such valid claim.

Among other things, it also provides that the title to the lands that are to be granted shall revert to the United States if abandoned or transferred to any person or entity other than to the State of California.

The purpose of the bill is to aid in the construction of the Kennett Dam and Reservoir of the Central Valley project of California, a great, necessary, and meritorious public water and power project of national importance, interest, and concern. The Kennett Dam, 420 feet in height and storing 3,000,000 acre-feet of water, is the vital and key unit of the entire project.

PURPOSE OF THE CENTRAL VALLEY PROJECT OF CALIFORNIA

The Central Valley project will store, control, and distribute the waters of the two great rivers of California, the Sacramento and San Joaquin, and is designed to meet fully and adequately the present and immediate future water problems of the Sacramento and San Joaquin Valleys, and of the upper San Francisco Bay region. It will also provide a large amount of hydroelectric power at low cost. The major objectives of the project are: To supply water for the irrigation of semiarid lands now under cultivation but not having an adequate supply of water; to develop hydroelectric power; to control the floods of the Sacramento and San Joaquin Rivers; to make the Sacramento River navigable from its mouth 250 miles to Red Bluff, and the San Joaquin River navigable 86 miles above Stockton; to control the salinity of the waters of the Sacramento-San Joaquin delta area; and to provide fresh water for industrial use in the upper San Francisco Bay region.

THE GREAT CENTRAL VALLEY OF CALIFORNIA

The Central Valley of California, composed of the Sacramento and San Joaquin Valleys, lies between the Sierra Nevada Mountains on the east and the Coast Range on the west and extends from Shasta County in northern California to Kern County in south-central California. The northern portion of the valley, known as the Sacramento Valley, is drained by the Sacramento River, which rises in the Sierra Nevada Mountains, near the northern boundary of the State, and flows 400 miles in a southerly direction to its mouth at Collinsville, at the eastern end of Suisun Bay, an arm of San Francisco Bay. The southern portion of the Central Valley, known as the San Joaquin Valley, is drained by the San Joaquin River, which rises in the Sierra Nevada Mountains in the central portion of California and flows southwesterly and northwesterly to Suisun Bay, where it enters just south of the mouth of the Sacramento River. Its total length is about 350 miles. At the mouths of the Sacramento and San Joaquin Rivers there is an extensive delta region reclaimed from the original marshes or from lands below sea level.

The summers of the region are long and hot, with practically no rain, while the winters are short and mild, with frequent rains and practically no snow, except in the surrounding mountains. The average annual precipitation, including the mountain areas, is about 42 inches in the northern portion of the basin and 23 inches in the southern. On the valley floor the precipitation varies from 4 to 25 inches. Most of the run-off occurs from December to March. Seasonal variations are large, with dry years usually occurring in cycles.

The Central Valley contains about half of the agricultural land and two-thirds of the irrigated land of the State. The floor of the valley is a flat alluvial plain 500 miles long and 30 to 60 miles wide, between the foothill ranges. It contains 9,000,000 acres of agricultural land of good quality and suitable for irrigation. Three million acres of this land are under irrigation, representing two-thirds of the total irrigated land of the State, and more than is under irrigation in all of the United States Reclamation and Indian Service projects of the whole United States. The lands of the Central Valley, in general, are very fertile, but rainfall during the growing season does not provide sufficient moisture for crops, and therefore irrigation is necessary for profitable farming.

The population within the confines of the Central Valley is nearly 1,000,000. Its normal annual value of farm products is about $310,000,000; manufactured products, $265,000,000; and mineral production, including oil and gas, $73,000,000. The valley is a commercial back country to the metropolitan areas of San Francisco and Los Angeles, with their 3,500,000 people, and these areas enjoy a large wholesale manufacturing and retail business with the valley. Three-fourths of the people of the State of California are dependent in some measure on the Central Valley and are affected by its prosperity or decadence.

INADEQUATE WATER SUPPLY

The importance of irrigation to California and to the Sacramento and San Joaquin Valleys is well demonstrated by the fact that in the past 50 years almost the entire increase in agricultural development and production has been through the means of irrigation. Practically all of the water for irrigation development has been made available through private initiative and effort. A critical and serious water shortage has developed during the past 15 years in large areas of the Central Valley supporting a high type of agriculture development and civilization.

The easily developed irrigation waters are now practically all in use, and large areas in the southern part of the valley, deriving their supply from underground sources, are facing a water famine through overdraft. Summer stream flow has become inadequate while large unregulated winter flows are wasted. With reference to the inadequate water supply of the lands now under cultivation, the United States Bureau of Reclamation in 1933 in reporting on the Central Valley project, stated as follows:

> The rapid expansion of irrigation in the Great Central Valley has resulted in a use and demand for irrigation supplies in excess of the water supplies available in several portions of the valley. This is particularly true in the upper San Joaquin Valley where the unregulated flow of the streams has been fully utilized and the available underground supply has been drawn upon in excess of its annual replenishment. Such complete utilization of the supply is effected in this area that very little of the run-off escapes in normal years. It also applies to the Sacramento-San Joaquin Delta, and to some extent to the Sacramento Valley. The large upstream diversions on both the Sacramento and San Joaquin Rivers have diminished the flow into the Sacramento-San Joaquin Delta to such an extent, particularly in dry years, that the salt water from the ocean through tidal action has advanced into the channels, rendering the water unfit for irrigation and endangering agriculture in the delta region and the industries and municipalities in the adjacent upper San Francisco Bay area. In the Sacramento Valley proper the unregulated supplies in dry years are not sufficient to meet the present demand, and irrigation has been curtailed thereby.

These water shortages have attained a critical stage. Lands, homes, and towns have been and are now being abandoned because of lack of water. More than 1,000,000 acres are affected, and unless remedial action is soon taken, wholesale abandonment will follow with a property value loss of perhaps $100,000,000, and 50,000 people be forced to leave their farms and homes. These areas are highly developed, having highways, railroads, schools, churches, power, telephone, gas, and other utilities. Reversion to desert conditions will take place unless water is supplied.

In the southern portion of the San Joaquin Valley 400,000 acres of highly developed irrigated lands, supporting a large rural and urban population, are intensely suffering from water shortage. At least half of this fertile acreage, representing a capital value of $50,000,000, in land values alone, will shortly be depopulated unless water is made available. Irrigation in this section is largely with water pumped from wells. The level of this underground water has been lowered to such an extent that pumping costs have become prohibitive. The pumping drafts have been in excess of the replenishments, and there is but little opportunity for in-

creasing the supply by more intense conservation and use of the water from local streams, since such waters are now almost completely utilized.

In the delta of the Sacramento and San Joaquin Rivers, located at the head of San Francisco Bay, another water emergency exists. Here there are nearly one-half million acres of some of the richest agricultural lands in the State threatened with agricultural extinction by the recurring invasions of salt water from the Pacific Ocean through San Francisco Bay. These lands of peat and sedimentary formations, and to a large extent below sea level, have been reclaimed by the construction of levees at a cost of $27,000,000. These reclaimed delta islands have been irrigated with water taken from the 500 miles of fresh-water channels surrounding them. The combined effects of irrigation and storage diversions on the Sacramento and San Joaquin Rivers have resulted in serious invasions of salt water into the delta channels, thus rendering the water unsuitable for irrigation of the adjacent lands. In the very dry year of 1931, the advantages of irrigation were lost to more than 70 percent of the delta area because of salt-water conditions. Annual recurrences of intrusion of salt water renders the lands sterile. These delta lands represent a capital investment of $50,000,000 and produce annually specialty crops with a market value of $30,000,000. Wholesale abandonment of extensive areas must result if the invasion of salt water is not stopped.

On the shores of upper San Francisco Bay, immediately below the delta of the Sacramento and San Joaquin Rivers, there is a region which embraces one of the most important industrial districts of the State, and now occupied by more than 100 industrial plants. These plants produce annually manufactured products valued at over $112,000,000. The rate of growth of this remarkable industrial section, in value of products, number of employees, and size of pay roll for some time, was greater than for the State as a whole. Of late years the area and the industrial plants have been greatly handicapped by lack of a dependable supply of fresh water. The industries of the region are largely dependent for their fresh-water supply on the delta region. Like the delta lands, the existence of these industries is menaced by the invasion of salt water and serious damage has already resulted. Their future growth and prosperity are dependent on providing an adequate available supply of fresh water.

Due to stream depletion by irrigation diversions, navigation on the Sacramento and San Joaquin Rivers has been seriously impaired, and on the upper reaches of these streams it has been abandoned.

The Central Valley has also other serious water problems which involve flood control, domestic use, and hydroelectric power.

In order to provide plans to solve the water problems and requirements of the Central Valley, in 1921 studies, known as "the California water resource investigations", were initiated under authority of the California Legislature and carried out under the direction of the State engineer. During the period 1921 to 1929 extensive and complete investigations were made, and these studies supplemented by reports of Federal agencies, particularly the Bureau of Reclamation and Corps of Engineers, culminated in the plans as now embodied in the Central Valley project.

THE CENTRAL VALLEY PROJECT

The construction calls for a great dam, 420 feet high, at Kennett, near Redding; a conduit from the delta region to Martinez to furnish water to industries; a huge dam at Friant, near Fresno, with canals leading north to Chowchilla River and south to Bakersfield; and a 200-mile transmission line from Kennett to Antioch. The Kennett Dam will hold back the peak flood flows which now rush down the Sacramento River Canyon, endangering life and property, and waste into the ocean unused. Thereby a flood peak from the main river will be eliminated and a major step in the final conquest of the flood menace in the Sacramento Valley will have been accomplished. The potential annual flood damage will be reduced $200,000. These flood waters withheld behind the Kennett Dam will create a great lake covering 23,000 acres and storing approximately 3,000,000 acre-feet of water, which will be gradually released into the river so as to maintain its flow at not less than 5,000 second-feet throughout the year. Five thousand second-feet minimum stream flow will make the Sacramento River navigable from its mouth 250 miles to Red Bluff. Thus, as a great artery of commerce the Sacramento River will supply water transportation—the cheapest form of transportation—for commodities moving in and out of the Sacramento Valley, with an annual saving of $300,000 to the farmers, stockmen, municipalities, and other interests and industries of the locality.

The maintenance of the Sacramento River at 5,000 second-feet minimum flow will assure a dependable water supply at all seasons of the year to agricultural lands and municipalities in the Sacramento Valley, and will remove all threat and danger of the curtailment of irrigation in the Sacramento Valley by the United States War Department. Under the Constitution the United States has paramount authority to act in aid of navigation. Many times threats of Federal interference with up-river diversions, during periods of low flow and at the greatest irrigation need, have caused water users to restrict voluntarily their use of water, damaging themselves thereby, in order to avert Federal interference. Maintenance of the Sacramento River at this flow will lessen pumping lifts and save many thousands of dollars in annual power bills to Sacramento Valley water diverters.

The constant release of flood water stored at Kennett Dam will protect from ruination by salt water 400,000 acres of Sacramento-San Joaquin River delta lands. Relieved from salt-water menace, the delta landowners will withdraw their present action by law to stop up-river water diverters in the Sacramento and San Joaquin Valleys from using certain amounts of water. The outcome of the pending litigation, involving hundreds of landowners, is uncertain and would be a calamity to either or both sides of the controversy. With the delta region freed from the salt-water menace, a fresh-water supply adequate in quantity and reasonable in cost will be made available to the upper San Francisco Bay area. The conduit from the delta to Martinez will preserve the future prosperity of the locality and make possible its further growth and expansion.

The construction of the Friant Dam and developments on and from the San Joaquin River will make the San Joaquin River navigable 86 miles above Stockton. It will assure an adequate and dependable water supply to agricultural lands and municipalities in the San Joaquin Valley and rescue from return to desert over 200,000 acres of highly developed lands producing crops, mostly noncompetitive, in the south San Joaquin Valley with a valuation of $50,000,000 and an annual crop value of $20,000,000. Within 3 years there is grave danger of 50,000 people being forced to abandon their farms and homes if this section is not supplied with water.

To the Los Angeles metropolitan area the maintenance of its trade and commerce with the south San Joaquin Valley is of vital importance. Southern California water projects afford no relief to the south San Joaquin Valley. The Central Valley water project will maintain the prosperity of the south San Joaquin Valley and thereby directly be of great benefit to the business interests of southern California and its trade and commerce. To the San Francisco metropolitan area the maintenance of its trade and commerce, with its vast Central Valley hinterland, is an abvious necessity, not to mention the direct importance to it of the maintenance and continued growth of the upper San Francisco Bay industrial area. All of the cities, towns, and villages of the Central Valley depend largely upon agriculture for their very existence, and if vast areas continue to suffer ruin by depleted and inadequate water supplies, the business men and urban inhabitants of the valley face a failing source of support, which will bring nothing less than despair in its wake. To all of the State of California the threatened destruction of so great a portion of its assessed valuation and

the suffering of so large a number of its population are matters of great concern, and the condition must be remedied if California is to continue to be a happy and prosperous Commonwealth.

Mr. Speaker, the Central Valley project is designed to confer benefits the extent and value of which it is impossible to evaluate in terms of money. The alleviation of human misery and distress cannot be measured in dollars and cents.

The project does not provide for the bringing of new land under irrigation or into production. Its objective is for the maintenance of present lands now or recently irrigated. It is a relief measure and strictly in accord with the policies enunciated by the United States in regard to existing farm problems.

Hydroelectric power will be developed at the Kennett Dam and transmitted to a central substation at the upper end of San Francisco Bay for distribution into the northern California power market. Substantial revenues will be obtained from this power resource.

The plans for the project have been thoroughly and carefully worked out by the State of California, under the direction of State Engineer Edward Hyatt, and participated in and checked by the Corps of Engineers of the United States War Department and the United States Bureau of Reclamation. Twelve years and $2,000,000 have been spent in the preparation of the plans for the project. Committees of Congress have also personally inspected the project area and the developments therein.

For the purpose of definitely showing the views of the Federal agencies which have studied and reported on the project, permit me to quote from several of the reports.

In pursuance of Senate Resolution No. 177, Seventy-second Congress, first session, the Committee on Irrigation and Reclamation, United States Senate, investigated the project in 1932 and rendered a report in March 1933 (S.Rept. No. 1325, 72d Cong., 2d sess.). The following statements are taken from the committee's report:

> From the standpoint of irrigation the committee feels that the great Central Valley project of California is a particularly meritorious one, since it is primarily directed to the preservation of already developed and producing lands. The productive resources of these lands are not prospective as in the case of projects for developing new lands, but are already an asset to the Nation.
>
> It is the conclusion of the committee that Congress is warranted in giving very careful consideration to participation in and assistance in the financing of this great Central Valley project of California. Direct contributions are warranted in the interest of improvement of navigation and flood control, the amount of which must be determined by careful investigation of the constituted agencies of the Federal Government and careful consideration by the appropriate committees of both Houses. It is further believed that the project is a particularly meritorious one for consideration by Congress of furnishing interest-free funds in the interest of irrigation, and, incidentally, funds at a low interest rate for the power features. Funds directly contributed to the project in behalf of navigation and flood control should be properly safeguarded by suitable guaranties from the State as to construction and operation. Funds loaned for the project should be loaned to the State, and repayment guaranteed by the State. In conformity with this conclusion, the committee believes that it would be appropriate that legislation be introduced which would bring the matter before Congress.

A report on the Sacramento, San Joaquin, and Kern Rivers, Calif., was prepared by the Corps of Engineers, United States War Department, in pursuance of the Rivers and Harbors Act, approved January 21, 1927, and in accordance with the provisions of House Document No. 308, Sixty-ninth Congress, first session. The report was printed as House Document No. 191, Seventy-third Congress, second session. In transmitting the report to the Secretary of War, Maj. Gen. Lytle Brown, then Chief of Engineers of the United States Army, stated:

> After due consideration of these reports I concur in the views and recommendations of the Board. The comprehensive State plan for the conservation of water resources in the Central Valley affords, in my opinion, the best general plan for the improvement of the Sacramento and San Joaquin Rivers for navigation and for the prosecution of this work in combination with the development of water power, the control of floods, and the needs of irrigation. The Federal interest in water conservation on the Sacramento River for the benefit of navigation warrants, in my opinion, the Federal contribution toward the work recommended by the Board. Plans for the development of the San Joaquin River for navigation in combination with irrigation do not appear to be sufficiently advanced to warrant a definite recommendation at this time. Plans for the Kennett and Keswick Dams, the Friant Reservoir, and irrigation canals in connection with the latter, are well developed from an engineering standpoint and may be promptly undertaken when funds for the purpose are made available. Should they be incorporated in the Public Works program provided in the National Industrial Recovery Act, the Federal contribution of 30 percent of the cost of labor and material employed on the project as provided for in that act would, from the figures presented by the division engineer, place these projects on a self-supporting basis. Subject to these remarks I concur in the conclusions and recommendations of the Board.

A recent report on the project was rendered by the War Department and printed as House of Representatives Committee on Rivers and Harbors Document No. 35 (73d Cong., 2d sess.). In the letter of transmittal to Hon. J. J. MANSFIELD, Chairman of the Committee on Rivers and Harbors, House of Representatives, dated April 6, 1934, Maj. Gen. E. M. Markham, Chief of Engineers, stated as follows:

> The Federal interest in the conservation of water by the construction of the Kennett Dam largely exceeds, in my opinion, that evaluated by the division engineer and the Board, since by remedying the intrusion of salt water into the delta of the Sacramento and San Joaquin Rivers, it eliminates from consideration Federal participation in the construction and operation at great cost of locks and structures to prevent such intrusion, and assures a free and open passage for the highly important navigation through the channels of the delta. Based on this aspect of the case, as well as the direct benefits to navigation and flood control on the Sacramento River, I find that the general and Federal benefits from the construction of the Kennett Dam on the plans now proposed by the State warrant a special direct participation of the Federal Government of $12,000,000 in the cost of this structure.

On April 13, 1934, the Committee on Rivers and Harbors of the House of Representatives adopted the recommendation of the Chief of Engineers and authorized the appropriation of $12,000,000.

The United States Bureau of Reclamation investigated and reported on the project in 1933. The Bureau found that the project works proposed were feasible of construction and operation; that the project was worthy of financial assistance from the Federal Government; and it was economically and financially feasible with justified Federal financial assistance.

A subcommittee of the House Committee on Appropriations made a field inspection trip over the project in 1931. Although it did not render a report on its findings, the members of the committee were deeply impressed with the tragedy of the situation and expressed themselves individually that the Federal Government should take part financially in relieving the farmers from their desperate plight.

Mr. Speaker, I desire also to call your attention to the Report of the President's Committee on Water Flow, transmitted by the President to the Congress on June 4, 1934, and being printed as House of Representatives Document No. 395 (73d Cong., 2d sess.). This report was submitted pursuant to the Norris-Wilson resolution of February 2, 1934, which requested the President to prepare—

> A comprehensive plan for the improvement and development of the rivers of the United States, with a view to giving the Congress information for the guidance of legislation which will provide for the maximum amount of flood control, navigation, irrigation, and development of electric power.

The committee, composed of the Secretaries of the Departments of Interior, War, Agriculture, and Labor, in its report selected 10 projects or drainage basins in order of priority for further development when comprehensive plans have been prepared. The Sacramento-San Joaquin (Central Valley) project is listed as no. 5 for development. It is stated in the report:

> The comprehensive plan previously developed by the California State plan for water conservation and Federal agencies has already been adopted by the State of California. "It is the most carefully considered and complete plan of its kind ever drawn up", according to the technical subcommittee on the Pacific region.

From the foregoing quotations it is apparent that the Central Valley project is one of great merit and justifies Federal financing to bring about its realization.

The State of California has taken definite steps toward the consummation of this great public project. The State legislature of 1933 passed the Central Valley project act creating the Water Project Authority of the State of California, composed of five State officials, to construct and operate the project and to issue and sell revenue bonds to defray the cost. The bonds would be secured by revenues from the sale of water and power. The act was submitted to a referendum vote of the people at a general State election and was ratified by a substantial majority vote.

An application has been filed by the Water Project Authority of the State of California with the Federal Emergency Administration of Public Works for the financing of the Central Valley project under the provisions of the National Industrial Recovery Act of 1933. The application is now under examination by the Public Works Administration.

The construction of the project will directly and indirectly employ 25,000 men for the next 3 years and put into circulation millions of dollars, thereby restoring purchasing power to thousands now dependent upon charity.

In terms of labor and material to build the project, it will require 186,224,000 man-hours of labor, 6,528,000 cubic yards of concrete, 20,809,000 pounds of reinforcing steel, 114,543,000 pounds of structural steel, 6,496,000 barrels of cement, 5,836,000 cubic yards of rock, 3,302,000 cubic yards of sand and 38,311,000 cubic yards of excavation.

I am convinced that this project is as carefully planned, as broadly conceived, and as worthy of Federal finance as any project of its kind in the entire United States. Its consummation will prevent wholesale abandonment of hundreds of thousands of acres of fertile irrigated lands in the expansive Central Valley of California, which will jeopardize property values of $100,000,000 and directly affect the livelihood of 50,000 American citizens. The tragedy which would follow forced abandonment of these lands—and abandonment will inevitably follow if an adequate water supply is not secured—would be as great as the tragedy which comes in the wake of flood or fire. Thousands of self-supporting citizens will be thrown into the ranks of the unemployed. Hundreds of millions of dollars will be lost to the tax rolls, increasing the tax burden to be carried by others.

Mr. Speaker, I am steadfastly and vigorously using every effort to make possible the financing of the Central Valley project through Federal funds. It is of national interest and concern, and the Federal Government should earnestly consider it with the view to authorizing an appropriation adequate to assure its early construction.

The described lands in H.R. 9838 and requested to be patented to the Water Project Authority of the State of California are located within the project boundaries of the Kennett Dam and Reservoir, the key unit of the Central Valley project, and the title to the same is necessary in the consummation of this great public project.

VETERANS' LEGISLATION

Mr. FULLER. Mr. Speaker, it is high time this Government was providing compensation for deserving widows and dependent minor children of World War veterans in cases where the veteran, before his death, was drawing compensation of at least 30 percent and died from a cause other than that for which he was drawing compensation. This measure, H.R. 9936, provides that in such cases the widow shall draw $22 per month, $30 where there is 1 minor child, and $4 for each additional child; where there is no widow but a surviving minor child, $15 per month.

About 3 years ago, while I was a member of the World War Veterans' Committee, we succeeded in passing a widows' bill through the House which was much more liberal than this measure. In my opinion no one is opposed to paying pension or compensation to widows, minor children, and veterans in all meritorious cases, especially where disabilities are due to war service.

Since I have been a Member of the House I have advocated and supported every reasonable legislative measure in behalf of the American war veterans. I voted for a measure to increase the Civil War veterans' pension to its present rating.

I supported the measure increasing the pensions of Spanish-American War veterans. For 5 years I was a Member of the World War Veterans' Committee of the House. I supported the measure extending the period of presumption to January 1, 1930, for World War veterans. I voted to increase their compensation and to remove restrictions for service connection. One-third of my time, as a Member of Congress, has been taken up in the interest of American war veterans, including the trial of hundreds of cases on appeal. I was criticized in a former campaign for having obtained so many pensions by special bills.

I supported the legislation which gave to the non-service-connected veterans the monthly pensions of $12, $18, $24, and $40. I supported the laws which allow $100 for funeral expenses, a flag for the draping of the coffin, for the liberalization of hospitalization, and for giving the veterans preference in the civil service and other positions over persons who are not veterans.

I have always been a strong advocate, and on every occasion have voted for the full cash payment of the adjusted compensation, commonly referred to as the "bonus." I voted to pass that bill over President Hoover's veto. I again supported this measure when it passed the House this session. I was a strong supporter of the legislation which permitted the veterans to borrow 50 percent of their bonus, and accepted that measure only as a compromise when nothing else could be obtained during the administration of President Hoover.

During the first 2 years I was a member of Congress, at a time when the Republicans were in control of every branch of the Government, I was at least instrumental in procuring for my district a veterans' hospital, which is now located at Fayetteville.

The worst criticism that I have received of my record has been for my liberality in supporting veteran legislation. When the Economy Act was presented during the Seventy-third Congress, as the Democratic membership will recall, I made a speech insisting that it should be amended insofar as its provisions affecting veterans were concerned, contending it would practically wipe out the presumptive cases, the non-service-connected cases, the Spanish-American War veterans, and reduce, to an unreasonable extent, the service-connected cases and hospital benefits.

When the rule was presented and we had to vote for or against economy in government, I voted for the Economy Act, which placed me in a position to be later instrumental in obtaining much benefit for the veterans. It was the influence of these friends who voted for the Economy Act that brought about an increase of $107,000,000 for the veterans during that session. The Economy Act not only dealt too severely with the veterans, but it also justly eliminated a lot of gold bricks and very undeserving cases from the pension rolls, and at the same time it caused a saving otherwise of approximately $500,000,000 annually in salaries and governmental expenses.

I was one of those who, this session, worked and voted for the compromise on veterans' legislation contained in the independent offices bill. My record met the acid test when I voted to pass the independent offices bill over President Roosevelt's veto, thereby making it a law and thus restoring 29,000 deserving presumptive cases of World War veterans and 150,000 Spanish-American War veterans on a basis of 75 percent of their former pensions.

By such action I aided in carrying out three of the four-point program of the American Legion. I stand on the honor roll and have received, unsolicited, letters of commendation and thanks from the legislative and executive heads of all the veterans' organizations of the United States.

OUR OPPOSITION

Many of us who have demonstrated beyond question our loyalty now have opponents who were single, physically qualified, and should have volunteered, but who did everything within their power to avoid service in time of war. Now, in time of peace, they are anxious to serve the veterans in Congress. Their candidacy is often lip service against actual deeds.

The Adjutant General's Office records reflect that my opponent, who was about 30 years of age during the war, always single, and by profession a lawyer, failed and neglected to volunteer; was later drafted and claimed exemption on the ground that he had aged and infirm parents depending upon him for support. The examining board disallowed his claim, classified him in class 1–A, and upon examination he was found physically qualified for general military service, but before he could be placed in the service the war was over. As to whether or not he went home and played sick, or used dilatory tactics which his profession may have taught him, I am not officially informed and do not care, but I am sure real war veterans will not approve of such a candidacy as against their true friend. They made the sacrifice, left good positions and homes to do military service for their country, and many of them are not receiving pensions for injuries and diseases attributable to war service.

Personally, I am not worried that the veterans of my district will be guilty of ingratitude. I know that practically all the veteran leaders and those familiar with veteran legislation approve of my congressional record. I would be much surprised to learn that 5 percent of the veterans of my district disapproved of my work in their behalf.

I have supported the entire program of President Roosevelt except on veteran legislation.

THE NEW ECONOMIC DEAL

Mr. RICHARDSON. Mr. Speaker, the Seventy-third Congress, during its life, which is now rapidly drawing to a close, has dealt almost exclusively with economic problems. At the President's request it has with startling rapidity turned out a series of legislative enactments which have vitally affected the citizenry of our country and radically changed the national economic landscape. This novel collection of legislation has been described by our President as the "new deal."

A great majority of our people are convinced that a new economic deal is very much needed in this country. The necessity for a new deal, Mr. Speaker, arises out of the fact that America has learned to produce more than its people need but has not learned to distribute so that all of its citizens may be sure of at least the necessities of life. In building our marvelous economic structure we have forgotten the necessity of economic security for every one of our citizens. When many millions of our people suddenly find themselves without employment, without a place in our economic structure, and without the means of subsistence in a country suffering from surplus production, the necessity for a new economic deal becomes very evident. And so it has come into being.

The principle on which the new deal is founded may be found in the simple statement that our national economy must support all of our people. The purpose of every honest economic system is, of course, to support all the people who are dependent upon it. There is no excuse for the existence of industry, agriculture, and economic organization unless they do support all of the people. The economic system, and not the Government, must bear the burden of support.

The purpose of the new deal is not difficult to comprehend. It seeks to reconstruct and strengthen our national economy so that all of our citizens may be supported and receive a fair share of production. It undertakes to build an economic structure which will support a better economic life. Its very minimum requirement is economic security for every American citizen.

Mr. Speaker, few will deny the necessity and few will disparage the purpose of the new economic deal. There is, however, much difference of opinion as to the method of accomplishing that purpose.

The method adopted by this administration has been that of trial and error. Procedure has been experimental. A sort of economic laboratory has come into being. This method has been warmly criticized. Certainly it is not the best method, but it may have been the only available method. The crisis last year was acute. A threatened break-down and a dangerous undercurrent made quick action imperative. A lack of knowledge, due to inexperience in dealing with economic problems on a national scale, prevented a definite and precise choice of method. The American people have had little mental training in the solving of broad economic problems. It is only very recently that we have begun to think of our economic activity as national in scope. The term "national economy" is very new in our vocabulary. These terms that now roll glibly from our tongues, such as heavy industry, light industry, durable goods, consumption goods, and planned economy, were used only by a few specialists several years ago. With a new field before it and a dangerous crisis pending, the method used by this administration seemed the only one available.

As a result of this series of experiments and stopgap emergency measures, we have a mass of legislation which does not, in all respects, make sense. Taken altogether, these measures do not constitute a correlated plan. But now that the picture is more or less complete some of the characteristics of the new economic deal can be visualized with a fair degree of certainty.

Generally speaking, Mr. Speaker, there exist today three different kinds of economic systems—the Socialist, Fascist, and capitalist. The term "capitalist" is popular but inaccurate. Capital is used in all three systems. Perhaps "competitive-profit system" would be a better word description.

The Socialist system is based on public ownership of the means of production. Where it has been tried, public ownership has become state ownership. The system involves actual participation by the government in economic processes.

The Fascist system retains individual ownership, but under it the government creates the forms within which economic activity may function. The government organizes and controls the economic system.

The competitive-profit system is purely individualistic. It involves private property, free markets, and competition.

Under socialism, therefore, the state owns, operates, controls, and plans. Under fascism, the state neither owns nor operates, but it does control and plan. Under the competitive-profit system—which so far has been the American system—the individual owns, operates, controls, and plans. Such regulatory legislation as has heretofore been enacted in this country has had for its main purpose the preservation of free markets and competition, so that the individual could function economically without interference.

The legislation constituting the new deal smacks of all three systems. An examination will reveal some socialism. Public ownership (government ownership), through public corporations, has come into being. The codes of the N.R.A. and the various agricultural-control regulations are flavored slightly with fascism. Most of the new legislation, however, is based on the retention of the competitive-profit system. Departures from that traditional American system are to be found almost exclusively in the emergency measures, and do not indicate that the administration intends to abandon that system. Small doses of socialism and fascism have been tried as stimulants. They are temporary expedients calculated to keep out the "big bad wolf." They do not indicate the nature of the permanent foundations upon which will rest our future national economy.

The President, in his recent message to the Congress, includes profits and competition in his economic scheme for the future. Mr. Richberg and his N.R.A. associates state that they wish to retain competition. Even Professor Tugwell does not seem to be averse to profits. In fact, the general purpose seems to be not to destroy our competitive individualistic system but to purify it.

There is not much doubt, Mr. Speaker, that industry, agriculture, finance, and labor have not played fair with the competitive individualistic economic system. They have been accepting its benefits without assuming its responsibilities. Social values have been largely lost sight of in a ruthless drive for profits. There has been plunder but not economic competition.

The new economic deal does not seek to abandon competition. N.R.A. by establishing minimum wages and uni-

form hours of labor does not declare war upon competition. It simply states that competition through the lowering of wages and the lengthening of working hours may no longer be permitted to exist in enlightened America. It asserts that exploitation of labor is no essential or necessary part of economic competition. It seeks to civilize competition by limiting it to competition in quality, style, and, above all, service. It substitutes economic competition for savage, cutthroat competition—the narrow and erroneous Darrow concept. It outlaws the latter type of competition as unsocial, and, therefore, undesirable in a democratic nation. It does assert that in the future competition, under the law, must stand the social test.

American economic history testifies as to the value of the competitive free-market system. There seems to be nothing in our present economic difficulties which would indicate the necessity of adopting socialism or fascism for their solution. Nevertheless, many American people and some of their Representatives in Congress clamor for fundamental changes in our economic system. Surely, Mr. Speaker, this is a time for sober talk, and, above all, straight thinking.

A little straight thinking should bring us to the conclusion that before changing to a new economic system we should be certain that the old system has failed and also that the new system offers us a better social and economic life. We must be sure America is wrong before going Russian or Fascist. Perhaps it is not altogether the system which has failed. For years we have hardly given it a fair trial. After all, no economic system can function satisfactorily if it is motivated by greed, dishonesty, and a low standard of ethics and morality in high places.

Of one thing I am sure: We shall not win by making things, cogs in the wheel, out of our people. There is a fundamental difference between human beings and things, and the same laws do not apply to both. In America, thank God, we still recognize that difference. Not through destroying but by preserving that difference lies America's way out.

RECOVERY LEGISLATION

Mr. WOLVERTON. Mr. Speaker, the last 4 years, during which the country has experienced the most distressing conditions ever suffered by this Nation in a time of depression, have presented problems not only of a financial and economic character but likewise of a social character affecting the life and happiness of our people.

The solution of these problems has been no easy task. The difficulty has not arisen entirely because of the number and variety of the problems, nor the intricate questions involved in a proper solution, but because of the fact that many such problems, to be properly solved, required an apparent reversal of long-established policy and theory of government.

Never in all my legislative service have I experienced such wide-spread and intense propaganda carried on by interested parties. All too frequently the viewpoint was of selfish interest rather than of what might prove the greatest good to the greatest number. In addition to this were appeals based upon party regularity, by reason of which Members of Congress were expected to vote blindly for or against legislative measures upon a basis of partisanship without any other consideration.

My attitude toward the problems of the day, and the legislation proposed as a remedy, has been at all times based upon the fundamental thought that the times are too serious, suffering too general, and the need of help too great to permit anything other than the good of the country and its people to be the actuating motive in the votes I cast. Nor have I been deterred from this course through fear that to depart from what has been to what should be is in any way detrimental to our well-being as a nation. New conditions require new remedies. Constitutional objections, made by some, to increased activities by the Federal Government in promoting the welfare of our people, overlook the fact that the Constitution is a living, not dead, instrument of government. It has survived because the interpretation of its powers and restrictions has been wisely considered in the light of changing conditions.

The intent and purpose of the framers of the Constitution to confer wide power in the effort to form a more perfect Union is made clear and emphatic by the broad and strong language used in the preamble to the Constitution, to wit:

> We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

These words are fraught with meaning. They constitute the master phrase of the Constitution. They represent the ideals and the dominating thought of the framers of the Constitution as to the fundamental purposes of government. All that follows in the several provisions of the Constitution as adopted gathers importance as means to accomplish the aims and purposes set forth in the words of the preamble. Thus it seems natural that in construing the extent of the power granted or the propriety of the methods adopted by Congress to make them effectual, consideration should be given to whether the objects sought to be attained are consistent with the declared purposes of our Government as contained in the constitutional preamble.

As an answer to the constitutional criticism that has been directed against legislation adopted, in this time of emergency, by Congress in its effort to establish justice and promote the general welfare it is helpful to consider carefully the opinion laid down by the great Chief Justice Marshall, more than 100 years ago in the Supreme Court of the United States, in the case of McCulloch against Maryland, wherein he said:

> But we think the sound construction of the Constitution must allow to the National Legislature that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited but consistent with the spirit and letter of the Constitution, are constitutional.

In times such as these when the prevailing economic conditions, if not remedied, would tend to undermine and destroy the business life of the country, and threaten our national welfare as well, there comes a very distinct and definite responsibility and duty upon those in Congress, and the other branches of our Government, to meet the situation by providing adequate remedies within the spirit and purpose of our Government. The broad and fundamental basis of justification as set forth by Chief Justice Marshall not only gives encouragement to those who strive to insure justice and promote the general welfare, even though by means heretofore untried, but also leaves no sufficient excuse to those who through fear or otherwise refuse to participate in the endeavor to provide for the common good.

It would prove both interesting and helpful if opportunity were afforded to speak in detail of all the varied legislation that has been adopted by Congress to promote recovery and reconstruction. Some has been temporary in character, designed merely for the time of the emergency, and other has been legislation of a permanent nature seeking to correct existing weaknesses that have been shown to exist and to establish in their place and stead principles more stable and likely to insure us as a people against a recurrence of the conditions which have brought on our present state of distress. Suffice it to say that there has been no period in the history of our Nation since the Civil War when so many questions vitally affecting human welfare have been decided. While in some instances, such as stabilizing the bank situation, the legislation has shown a beneficial effect and in some other instances given promise of possible success, yet, in large part, sufficient time has not elapsed to enable any definite conclusions to be reached as to the degree of ultimate success to be had. But whatever may be the final result, recognizing the good intent that has prompted the effort, it should be the hope of every sincere American who places the welfare of his country above all else that it will succeed. And if it does, the sun of prosperity will shine on Republicans as well as Democrats. We must one and all, regardless of our

political affiliations, look into the future with optimism and courage and with an unfaltering desire and determination that America shall triumph. This, in the future as in the past, will be my constant endeavor.

PULASKI MEMORIAL DAY

Mr. KELLY of Illinois. Mr. Speaker, under leave to extend my remarks, I wish to express the appreciation of the Polish Americans, not only of my congressional district but throughout the Nation, for the time allotted to me to say a few words relative to the joint resolution, now under consideration, which would authorize and direct the President of the United States to proclaim October 11 of each year, as a day of celebration and remembrance of the life and services of Brig. Gen. Casimir Pulaski.

The 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, in the siege of Savannah, Ga., during the Revolutionary War. Pulaski was only 31 years of age when he fell at the head of his troops, and the millions of his countrymen who have come to our land to perpetuate the principles and ideals he died for, are not unmindful of this national tribute in the passage of this Pulaski Memorial Day Resolution. In Illinois, my own State, our people meet annually to bear him tribute; in many other States throughout this great Nation celebrations of similar nature are held; therefore, it is most fitting that we should commemorate in a national way the heroic, adventurous, and patriotic spirit of Casimir Pulaski by the approval of this resolution.

This great Polish hero, glowing with enthusiasm for liberty, came from his own distressed land to fight upon our shores for those ideals of freedom that, for the time being, were crushed in his beloved Poland. He was a dashing, romantic soldier, who had already achieved a reputation for patriotism, heroism, and strategy that made him an outstanding figure in Europe. Being forced to flee his own country, he came to our land and saw in the struggle for American independence, an opportunity to pursue that bright vision, which had so animated him in his career as a Polish patriot, and he transferred to George Washington's service those remarkable qualities of military genius, which everywhere aroused admiration and confidence. Trusted and admired by George Washington, and inspiring a devotion that only the comradeship of war can bring about, Pulaski went to his death dauntless and unafraid. He died on October 11, 1779, after more than 2 years of service under our flag.

While by passing this resolution we acknowledge the service this gallant young officer gave to our cause in the Revolution, we will at the same time compliment the Polish people who have contributed so much toward the advancement of our country.

The spirit of General Pulaski has undoubtedly remained as a sacred treasure in many minds and it ought to multiply itself in those to whom it is made known so that future generations may be reminded of the debt which they owe to those that came before them.

FISH, FISH HATCHERIES, AND THE WORK OF THE FEDERAL BUREAU OF FISHERIES

Mr. SNYDER. Mr. Speaker, it was most pleasing for me to learn from the Bureau of Fisheries that Pennsylvania ranked away up among the very top group of States in raising and caring for fish. It is also gratifying to know that the sportsmen's associations of the State of Pennsylvania are among the most ethical in the United States.

I personally know the streams of Pennsylvania and the personnel of the sportsmen's organizations in my district, and I believe that with the encouragement they are now receiving from the Bureau of Fisheries that not only my district but the entire State and Nation will grow into the attitude of mind and action to develop this great sport and industry.

The personnel of the Bureau of Fisheries is very fine, and the spirit of cooperation is all that can be asked. Little by little the Nation is becoming conscious of the fact that if it has a citizenship interested in fisheries that it will add much to the care of streams and watersheds in the Nation.

It is now thoroughly realized that most of the natural resources of the country must be conserved by careful planning and definite action on the part of the Federal Government. There is, however, a wide-spread belief that fish will take care of themselves. This attitude is entirely erroneous and might be fraught with great danger to the future of our food and game fishes if it were not for the fact that the Federal Government, through the Bureau of Fisheries, is working in many directions to assure perpetuation of this resource. The nature of the work of this Federal agency does not attract wide attention, and its activities and accomplishments are therefore little known, even though they indirectly affect a large percentage of the population.

The primary function of the Bureau of Fisheries is to furnish information upon all forms of aquatic life and to supply fish for replenishment and replacement of the stock used by man. The scientific investigations which have been conducted during the past year have elicited facts which have great bearing upon the measures which the State or the Federal Government must take to conserve fish life. An example of this is the discovery that the life span of the commercial shrimp of the Gulf of Mexico and the South Atlantic is but 1 year. It is essential to have facts like this in order to determine the best policies for prosecuting the fishery, as it can be seen that the shrimp fishery, unless wisely regulated, can be totally destroyed in one season.

Congress, realizing the importance of a knowledge of deep-sea fishes, has authorized a $500,000 research vessel for the Bureau of Fisheries as a means of prosecuting these studies; and the Public Works Administration has granted the funds necessary to conduct a survey of waters in the national parks and national forests. At sea, in addition to the shrimp investigation just mentioned, the Bureau has been able to predict with reasonable accuracy the catch of certain fisheries, thus enabling the commercial fisherman to plan intelligently for the season. This new vessel will allow the Bureau to obtain necessary biological data on many more fisheries, thus furnishing the necessary background for continuing the fisheries on a sound basis. In the interior waters, the knowledge obtained from surveys determines the kind and amount of fish to be planted that the streams and lakes may return a bountiful harvest. In our coastal waters, efforts are being made to extend the area in which the culture of oysters by farming methods can be practiced. In our rivers, where dams are being constructed for hydroelectric power development, important fishes may be destroyed if they cannot reach the spawning grounds. Hence the Bureau of Fisheries is giving careful study to the working out of plans for ladders or other devices which will make it possible for these fish to surmount the dams and breed. Investigations, both at sea and on our Great Lakes, on different types of nets, to determine which will be most effective in permitting the escape of immature fish, are also a useful means of preventing the tremendous wastage arising from the capture of fish below market size.

While the information obtained by the scientific staff is useful both to the Bureau and the States, it is necessary to go beyond the mere collection of statistical data and biological information and actually stock the streams, lakes, and coastal waters with hatchery-produced fish. With this object, the Bureau of Fisheries maintains some 80 fish-cultural establishments throughout the country, and until its activities were somewhat curbed by the demands for economy it annually distributed over 7,000,000,00 young fish and eggs. During the present year its hatchery output will be approximately two-thirds of this figure. These fish comprise commercial varieties like the shad, salmon, whitefish, and so forth, which serve as a basis of commercial fisheries, and they also include numerous varieties of game fish distributed to public waters throughout the country and to the national forests and national parks. Some 10,000,000 anglers are interested in seeing that their favorite fishing holes are well stocked. Each citizen is entitled to his share of these fish produced at Bureau of Fisheries hatcheries as far as they will go in the face of greatly increasing demands.

In order to coordinate these activities which tie in with the work of the State fish and game departments, the Commissioner of Fisheries has been the leader in establishing a National Planning Council, which includes representatives of the Federal Government interested in this field and the State fisheries authorities. One meeting has already been held and the groundwork laid for a cooperative attack upon the many problems in this field. The purpose of this is to insure economy by avoiding duplication of effort and overlapping of functions and at the same time to make sure that no problem will be overlooked.

After depending upon its scientific research and its hatchery activities to provide an adequate stock of fish, the Bureau of Fisheries goes further and helps in their wise and economic utilization by technical research and the collection of detailed statistics on the status of each fishery throughout the country. As an example of this work I would mention the development of uses of byproducts of the fisheries. There is a great demand for cod-liver oil, both for human consumption and for the feeding of stock and poultry. The bulk of this cod-liver oil has been imported; but studies of the Bureau of Fisheries indicate that the oils obtained from domestic fish are even more valuable and can be produced in sufficient quantities to make this country virtually independent of foreign producers. Every use which can be discovered for fish oils, fishmeals, or any other byproduct is a contribution to the welfare of the suffering fishing industry and to the country as a whole. In addition the Bureau also seeks to aid the fisherman by its studies on the preservation of nets and fishing gear. These studies offer great promise that the life of this expensive equipment may be greatly extended with a saving in operating costs of the fisherman and consequently a reduction in the cost of fish.

The Bureau of Fisheries realizes that a multitude of sportsmen's organizations throughout the country have at heart a continuation of good angling for everyone. These sportsmen are willing to expend their own time, effort, and funds to this end; and, besides cooperating with the States, the Commissioner of Fisheries is cooperating vigorously with these semiprivate organizations. One means of cooperation is the establishment of cooperative nurseries, whereby the very young fish from the Federal hatcheries are taken by the sportsmen and fed and reared until they attain the larger size necessary for their survival in the streams. In other words, while the Federal fish hatcheries are turning out a raw material the sportsmen are assuming the obligation of providing a finished product. In my district one club has spent upward of $15,000 in providing a hatchery, rearing pools, food, and attention to rear the young trout which the Federal hatcheries distributed at an early age due to lack of space and funds to hold them longer.

The Bureau of Fisheries, aside from furnishing the actual fish, has furnished the technical advice and information and other assistance necessary to make this somewhat specialized work a success. It is particularly gratifying to see this work going on and to know that the fish produced by this means will all be placed in public waters where they are potential trophies for all classes of anglers from the boy with the bent pin to the most highly scientific fisherman.

In order to take care of communities in Pennsylvania where it was not possible to establish these nurseries, there have been hundreds of thousands of young trout furnished directly to the sportsmen themselves who assume the obligations of planting them in the streams. Since up to this year there has been no Federal hatchery in the State of Pennsylvania it has been necessary to transport these trout from hatcheries in other States. Specially designed and constructed railroad cars are used for this purpose and by July 1, 12 carloads of these fish will have gone into the State to satisfy the demands of fish-hungry Pennsylvanians.

Congress has realized the desirability of producing the fish in the area where they are to be planted and caught, and consequently authorized a large Federal hatchery in Pennsylvania. This has been under construction in the central part of the State; and, when it is finally completed, it will constitute a source of supply of better and larger fish.

It goes without saying that no fisherman is ever satisfied and for this reason there will never be a complete conviction that the Federal Government is doing all that it can and should to maintain abundant fishing. However, it probably can be said with equal truth that were it not for the activities of the Federal Bureau of Fisheries in Pennsylvania and throughout the country, there would be many more dissatisfied anglers than there are at present and the catches of the commercial fishermen would be well below the present levels. It is confidently hoped that efficiency in operation, the employment of greater cooperation, both with the States and with the sportsmen themselves, will enable the Bureau of Fisheries to discharge its obligation of maintaining and conserving the aquatic resources of the Nation more fully.

WILD LIFE IN THE UNITED STATES

Mr. SNYDER. Mr. Speaker, these industrial days, when men are prone to cut down our timber and not replace it, and pollute our streams, it is well to take stock of our wild life in the United States.

When the white man came to America he found wild life so abundant that he exhausted his vocabulary in trying to tell the story to his friends in Europe. Like Adam in the Garden of Eden, he took dominion over the beast of the field and the fowl of the air. In this dominion there was at that time no thought of conservation, for the supply of wild life was apparently inexhaustible, like the trees of the forest that stretched from the Atlantic so far westward that none knew its limits. The great resources of big-game animals, fur bearers, and wild fowl to the early American were immense stores from which he could take all that he wanted without thought of replenishment. Of his own livestock he harvested only the increase, but nature's supply of wild animals was to him a mine of such bounty as to appear to be beyond the realm of the natural laws that govern animal husbandry.

Mr. Speaker, not until the middle of the nineteenth century did man become aware of the inevitable results of such heedless exploitation. Warnings began to be sounded, one of the earliest by an English sportsman, Herbert, better known by his pen name Frank Forester, who visited America. With the quicker critical eye of the stranger, he saw the folly of the American wasting his substance. He predicted then the extermination of the heath hen, and the prodigal American permitted his prediction to come true. The story of the last heath hen has furnished copy for the newspapers within the past year.

Even with such warnings as those given by this Englishman, we Americans in the last century failed to call a halt. In fact, two of the most astounding outrages against Nature were perpetrated in the decades that followed the Civil War. I refer to the extermination of the passenger pigeon and the slaughter of our great herds of buffalo. Today we have only museum specimens and the printed records of the sorry tale of the passenger pigeon. The story of the buffalo is another tale of slaughter, and only the establishment of preserves by the United States Government has saved this interesting animal for the United States.

This in broad terms is the history of the American attitude toward wild life during the first four centuries of the white man on this continent.

The whole story of the American and his treatment of wild life can not end, however, with an account of how he has dealt directly with the birds and the animals. The indirect results of his civilization have added immensely to the havoc. Taking waterfowl as a specific case, consider the effects of drainage of the breeding and wintering grounds.

As a nation we have been dealing with our marshland much as we have with a great many other natural resources—acting first and considering the consequences later. The result is millions of acres of drained marshes and lakes, representing in many cases a direct economic loss to the Nation. The preliminary report of census figures for the year 1930 indicates that the drainage ditch has taken away

from our waterfowl, in whole or in part, approximately 77,000,000 acres in the continental United States. There is no question but that some of this attrition of water areas has resulted in the addition of valuable farm lands, but in some regions much of it has been shown up as a rank failure. On literally tens of thousands of acres no success in farming has been achieved and many drainage districts are heavily in debt or are defunct.

Three-fourths of all the land in drainage enterprises in the United States is situated in those States north of the Ohio and Missouri Rivers and east of the Rocky Mountains, including Missouri and Kansas. Roughly speaking, this vast area includes practically all of the waterfowl-breeding ranges found in the United States. Included in this region are areas that at one time were justly famed waterfowl resorts, among which may be mentioned the Kankakee marshes of Indiana, Thief and Mud Lakes in Minnesota, the Montezuma Marsh in New York, Mattamuskeet Lake in North Carolina, and Horicon, Buena Vista, and Trempealeau Marshes in Wisconsin.

Consider also the effect on wild life of man's pollution of our water resources.

We have been heedlessly polluting our streams and even defiling the seven seas with the off-scourings of our civilization, and while the pollution of streams and other water areas may result from many causes such as civic and industrial waste, pollution by oil so far overshadows all other types as to relegate them to places of minor importance. If the era in which we live has been called the "Age of Steel", it might with equal significance and propriety be termed the "Age of Oil", for oil in a thousand ways has come to be the driving force behind our contemporary civilization. It is a singular irony of fate, however, that this same oil, a residual deposit from the ancient, vanished life of the earth, should be destined to cause such widespread suffering and destruction to various forms of present-day aquatic and avian life. Driving the wheels of industry, making possible the development of an age of transportation by land, sea, and air, and contributing in many ways to the comforts and refinements of our lives, this same "black gold" when improperly handled or permitted to escape beyond the bounds of our control, is to be reckoned as one of the major destructive agencies to birds, fishes, and other forms of aquatic life.

Mechanical ingenuity also has placed improved tools in the hands of man and these have resulted in increased kills. Improved weapons are obviously a case in point, but likewise improved transportation facilities have added to the annual toll of wild life that man has taken. In war time the most effective device of any combatant nation is its transportation system. The terrifically powerful weapon of modern American transportation has been turned against the American game species with results that no intelligent observer can possibly ignore.

In recent years all these disastrous forces operating against the wild animals have been seriously augmented by an ever-increasing number of hunters. Seven millions of licensed gunners go afield annually and it is estimated that an additional 3,000,000 more also shoot who, for one reason or another, do not take out licenses.

Mr. Speaker, as a result of all these inimical agencies and activities the game species of the United States have dwindled to a point where open shooting seasons of only a few weeks are now permitted. We are actually importing more pelts of fur-bearing animals than we export, and this in a country that was once perhaps the greatest producer of peltry in the world. This situation has resulted in part from lack of basic biological knowledge, but more from our failure to appreciate our fur resources. The total annual catch of fur animals in the United States used to be conservatively valued at $65,000,000. Financial conditions and continued decrease in the natural supply have reduced the value of the annual catch to $20,000,000. Fifteen years ago more minks were trapped annually in Maine than are now taken in the entire United States.

Our State and Federal legislatures have been slow in taking effective recognition of the problem of wild life conservation. As early as 1776 the Keystone State, which I have the honor to represent in this Congress, adopted a constitution that included provision for hunters. This explicitly granted to the Pennsylvanians the "liberty to fowl and hunt in seasonable times on lands they hold, and all other lands therein not enclosed." Hunting was thus a constitutional privilege, and not until many years later did Pennsylvania place restrictions on this privilege. This is the record of my own State. Other States differed, but the greatest variation was in adopting restrictions rather than in adequately restricting.

The reluctance of legislators of a past day to enact restrictions that have been deemed unnecessary or futile is well reflected in the declaration of a senate committee of Ohio in a report on a game bill in 1857 that "the passenger pigeon needs no protection—the snipe too, like the pigeon, will take care of itself, and its yearly numbers cannot be materially lessened by the gun." Consider this in the light of the story I have just told of the extermination of the wild pigeon.

Not until the beginning of the twentieth century did the Federal Government make legislation on wild life by passing the Lacey Act, which dealt chiefly with interstate traffic in species illegally killed under State laws. Only 21 years have elapsed since the passage of the first Federal migratory bird law, only 16 since the enactment of the migratory bird treaty act, and only 5 since the passage of the migratory bird conservation act of 1929.

Mr. Speaker, legislation has thus come late in the history of wild life and man in America. Nevertheless, for many species I trust it has not come too late, and the new attitude is a great encouragement to the many conservationists and nature lovers who had grown heartsick with a long-deferred hope. The present Congress has kept alive and has quickened the newly awakened spirit of wild-life conservation in high places. Three important pieces of legislation on wild life have been written on the Federal statute books this year—the Waterfowl Hunting Stamp Act, an act providing for coordination of Federal functions in conservation, and an act authorizing the establishment of fish and game sanctuaries on national forests.

Wild life is a national resource and a priceless possession of the whole public. It is astonishing with this in mind to realize that the funds needed in conserving this resource have for the most part been furnished by one class of the public—the licensed sportsman. It is, accordingly, one of the arousing enthusiasms of the present-day conservationist to feel a spreading sentiment among the whole people.

This sentiment, furthermore, is directly reflected in the attitude of this administration. The new deal has been extended to wild life, and adequate conservation has been recognized as an important service to citizens of all classes.

The administration, in its great interest in wild life, has found that conservation can be an integral part of the Nation's recovery program, and to this end has allotted three and one-half million dollars for the rehabilitation of both wild life and human resources.

Under the leadership of Jay N. Darling, the Bureau of Biological Survey is now putting into action a threefold program designed to aid all forms of wild life—migratory waterfowl; upland game; song, insectivorous, and ornamental birds; and also big-game animals and fur bearers. In the first place, work has begun on a more intensive law-enforcement campaign. Secondly, the Bureau is improving greatly the refuges now under its administration. And the third objective in this new-deal program is the prompt but careful and systematic acquisition of more refuge areas.

Experience in wild-life administration has definitely established that all species—migratory and upland game, big game, fur bearers, and fishes—can be successfully increased by the establishment of adequate refuges which will restore and maintain suitable environmental conditions.

By the insistence with which Congress has repeatedly returned to this subject over a long term of years, it is obvious that this body relies upon and desires to provide a sanctuary system for all classes of game and for all valuable

forms of wild life that will be national in purpose and comprehensive of future needs.

Mr. Speaker, the Biological Survey is now actively engaged with plans for the establishment of an adequate system of sanctuaries along the important flight lanes of the migratory wildfowl, using the funds provided by the administration together with the revenues from the Hunting Stamp Act. Overshooting and the disastrous effects of the continued drought on the great nesting grounds have reduced all species of ducks—some to a point where there is real danger of extinction unless the refuge program is developed promptly. It is hoped that eventually between $6,500,000 and $10,000,000 will be available for the acquisition of such areas, for diking and ditching operations to raise water levels and to restore water on projects that have been unwisely drained, for increasing the production of natural food, and for the control of losses occasioned by disease and natural enemies. On all refuges there are active projects under way to improve and increase the usefulness of wildlife sanctuaries.

These activities, while primarily in the interest of waterfowl, will be of tremendous value in the preservation of upland nonmigratory game and other valuable forms of wild life. The program is based on a closer coordination of all Federal activities in connection with the restoration of wild life, and also upon a closer coordination between Federal agencies and State conservation departments.

We Americans now have in sight a happier ending than only a few years ago could have been seen for the story of wild life and man in America.

We have come at last to realize that we are dealing with a living thing that will replenish itself if only we will properly administer it.

And in conclusion, Mr. Speaker, I make an appeal to every American—not only the sportsman who can see his thrilling sport continue but also the thousands of others who find interest and inspiration in the creatures of the wild.

OUR NATIONAL POWER PROGRAM

Mr. RANKIN. Mr. Speaker, one would think from reading the propaganda now being spread by the power interests, that the Roosevelt administration was unjustly attempting to destroy the property of legitimate public utilities, and that it was confining its development operations exclusively to the Tennessee Valley, and making its power program sectional instead of national.

Under the heading "Government's Crime Against Utilities", an article published in Forbes Magazine of June 15, says:

> How long will the millions of frugal individuals and families who have invested their savings in public utilities remain silently submissive to the crimes the Government is committing against their properties?

That one question sums up the case of the power interests against the Roosevelt program. The weakness of that question is that it leaves out the word "legitimate" before public utilities. The contention of the power interests is that all investors in all public-utility stocks are entitled to a return on their investments at the expense of the ultimate consumer, while the policy of the Roosevelt administration is to base the rates the ultimate consumer shall pay on the actual cost of production and distribution.

Power companies have been known to buy a power plant for a few thousand dollars and then write it up to a million dollars or more, and then base their rates on the value of all that watered stock and demand that the ultimate consumer pay a rate sufficiently high to guarantee dividends. If the private power companies will squeeze all the water out of their stocks, stop paying outrageously high salaries to their executives, quit spending enormous amounts of money to hire lawyers and other individuals to exert political influence on public officials, stop spending so much money on newspaper and magazine propaganda—if they will eliminate those unnecessary elements of "investment" and base their rates strictly on the cost of production and distribution, they can furnish lights and power anywhere in the United States at the rates laid down by the T.V.A. yardstick in the Tupelo contract, which is as follows:

CITY OF TUPELO,
Tupelo, Miss.

STANDARD RESIDENTIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934

Available to all residential customers at local distribution secondary voltage, either 2-wire or 3-wire service, as municipality may require:

First 50 kilowatt-hours, per month, at 3 cents per kilowatt-hour.
Next 150 kilowatt-hours, per month, at 2 cents per kilowatt-hour.
Next 200 kilowatt-hours, per month, at 1 cent per kilowatt-hour.
Excess: Over 400 kilowatt-hours, per month, at 0.4 cent per kilowatt-hour.

Minimum monthly bill:
5-ampere meter, 25 kilowatt-hours, 75 cents.
15-ampere meter, 33⅓ kilowatt-hours, $1.
50-ampere meter, 50 kilowatt-hours, $1.50.

BASIC COMMERCIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934

Available to commercial customers taking service from the municipality's secondary system:

First 250 kilowatt-hours, per month, at 3 cents per kilowatt-hour.
Next 750 kilowatt-hours, per month, at 2 cents per kilowatt-hour.
Next 1,000 kilowatt-hours, per month, at 1 cent per kilowatt-hour.
Excess: Over 2,000 kilowatt-hours, per month, at 0.8 cent per month.

Minimum monthly bill:
5-ampere meter, 50 kilowatt-hours, $1.50.
15-ampere meter, 66⅔ kilowatt-hours, $2.
50-ampere meter, 100 kilowatt-hours, $3.

Surcharge: Basic rate subject to a surcharge initially established by municipality and modified from time to time as net revenues improve of 10 percent. Surcharge to take the form of straight percentage added to customers' bills.

BASIC INDUSTRIAL RATE FOR SERVICE, EFFECTIVE FEBRUARY 7, 1934

Available to industrial power users having demands in excess of 10 kilowatts. Service at primary-distribution voltage or secondary-distribution voltage at discretion of municipality.

Demand charge: $1 per kilowatt per month.
Demand: Maximum integrated 30-minute period.
Energy charge:
First 10,000 kilowatt-hours per month at 10 mills per kilowatt-hour.
Next 25,000 kilowatt-hours per month at 6 mills per kilowatt-hour.
Next 65,000 kilowatt-hours per month at 4 mills per kilowatt-hour.
Next 400,000 kilowatt-hours per month at 3 mills per kilowatt-hour.
Excess over 500,000 kilowatt-hours per month at 2.5 mills per kilowatt-hour.

The average domestic consumption per capita in Canada, where they have public ownership of power utilities, and have had for many years, is more than seven times as much as it is in the United States. The average per capita consumption in Canada is more than 350 kilowatt-hours per month, while in the United States the average is 50 kilowatt-hours per month. Yet that 50 kilowatt-hours costs a resident of the United States as much as the 350 kilowatt-hours costs a resident of Canada.

In Winnipeg, Canada, 350 kilowatt-hours per month would cost $3.08.

In London, Ontario, Canada, they get their power from Niagara Falls, 125 miles away, and for 350 kilowatt-hours per month they pay $3.99.

In Windsor, Canada, where they get their power from Niagara Falls, 250 miles away, 350 kilowatt-hours per month cost exactly $4.26.

Windsor is right across the river from Detroit, Mich. In Detroit, 350 kilowatt-hours per month cost $11.80.

The figures from Winnipeg, London, and Windsor, Canada, are up to date and show what light and power cost in those places at this time.

In Tacoma, Wash., where they have an exclusive municipal monopoly, these 350 kilowatt-hours per month cost $4.55.

In Seattle, Wash., where they have a munipical plant with private competition to divide the load, these 350 kilowatt-hours per month cost $6.30.

In Tupelo, Miss., and in all the other territory served by the T.V.A., where the yardstick rates are applied, the 350 kilowatt-hours per month will cost exactly $6.

Now let us see what they cost elsewhere. According to N.E.L.A., a rate book issued by the National Electric Light Association in 1931, 350 kilowatt-hours per month

for residential lighting in Bisbee, Ariz., would cost $18.40; in Fort Smith, Ark., $24.40; Andalusia, Ala., $27.10; Birmingham, Ala., $24.75; Denver, Colo., $18.10; Danbury, Conn., $16.28; Wilmington, Del., $16.50; Miami, Fla., $29.90; Valdosta, Ga., $12.66; Boise, Idaho, $15.90; Quincy, Ill., $21.75; Indianapolis, Ind., $17.25; Des Moines, Iowa, $12.65; Salina, Kans., $13; Ashland, Ky., $21; Baton Rouge, La., $33; Bangor, Maine, $31.50; Hagerstown, Md., $13.20; Boston, Mass., $26.25; Winona, Minn., $14.70; Bay City, Mich., $13.50; Meridian, Miss., $27.10; Jefferson City, Mo., $10.15; Reno, Nev., $21.50; Scottsbluff, Nebr., $25.38; Butte, Mont., $9; Berlin, N.H., $25.20; Asbury Park, N.J., $19.75; Ithaca, N.Y., $32.30; Raleigh, N.C., $20.75; Columbus, Ohio, $14.50; Tulsa, Okla., $26; Portland, Oreg., $7.89; Pittsburgh, Pa., $12.10; Columbia, S.C., $24; Chattanooga, Tenn., $16.60; San Antonio, Tex., $25.50; Richmond, Va., $22.

The difference is that in the Canadian provinces above referred to, in Tacoma, and Seattle, Wash., and in Tupelo, Miss., and all the other territory served by the T.V.A., the rates are based purely on the cost of production and distribution; whereas, in the other places referred to, invariably, the consumer is compelled to pay rates based, not on the actual cost of production but on watered stocks and other extravagant expenditures to which I have just referred.

What the administration is trying to do is to bring these light and power rates down all over the country, so that all the American people may enjoy the fullest possible use of electricity at the very minimum of cost. It is a nation-wide policy and its application is not confined to the Tennessee Valley area. More than $80,000,000 of Public Works funds are going into the construction of four great projects in the West and Northwest. Two of them are on the Columbia River in Oregon and Washington where the Grand Coulee and Bonneville projects have been described as the "Muscle Shoals of the Northwest." They are to provide a yardstick for the measurement of electric energy rates in that great northwestern country, just as the T.V.A. has done in the southern and border States.

For continuing construction of Boulder Dam, begun in 1931, P.W.A. allotted $38,000,000. Boulder Dam is one of the engineering marvels of the world. It will convert the gorge of the Colorado River into a lake 700 feet deep at the dam and 115 miles long. Water stored by the dam in flood seasons will be released in dry seasons to control the flow of the river and to generate power.

Much of the power generated at Boulder Dam will be used to pump water through the aqueduct being built across the Rocky Mountains from the Colorado River to Los Angeles. The aqueduct is being constructed by the Metropolitan Water District of Southern California. Los Angeles also is building a transmission line to carry electricity for domestic and power use in the city and surrounding territory.

Thus a yardstick will be provided for the consumers of electricity not only in the State of California but in all the adjoining States.

The Seminoe Dam and power plant on the North Platte River, near Rawlins, Wyo., are being built as part of what is known as the "Casper-Alcova project", an irrigation and power development for which the Government has allotted $12,000,000 to start work. The annual output of electricity will be about 150,000,000 kilowatt-hours, which can be produced at a cost of 2.4 mills per kilowatt-hour.

What a yardstick that will make for the consumers of electricity in that great Northwestern country where they are now paying among the highest rates of any section of the country and where the liberal use of electricity will be so essentially necessary in the years to come.

Among the non-Federal power projects being built with loans and grants from the Public Works Administration are two in Nebraska on the Loup and Platte Rivers. A loan and grant of $7,300,000 was allotted for the Loup River project, and $7,500,000 for the Platte River project.

The administration is endeavoring to aid the consumers of electric lights and power in every section of these United States. This is the new deal for the users of electric energy, and we expect to carry on the battle until these cheap rates, such as are provided in the T.V.A. yardstick, are placed within the reach of every individual under the American flag.

We are just in the beginning of this new power development. It is my hope to see every available and necessary project, from the Quoddy project in Maine to the Santee-Cooper in South Carolina, from the Savannah River in Georgia, the Tombigbee in Mississippi and Alabama, to the Red River in Texas and the Missouri River in the Northwest—and all of the other power facilities in our navigable streams developed into one grand national program that will furnish cheap electric lights and power for every home in America and supply it to every industrial and commercial enterprise.

PART OF THE RECORD OF THE SEVENTY-THIRD CONGRESS

Mr. VINSON of Kentucky. Mr. Speaker, the Seventy-third Congress was the busiest Congress in the history of the Nation. It began in extraordinary session which convened on March 9, 1933, and extended until the early hours of June 16, 1933.

The second session convened January 3, 1934. The gavel fell in final adjournment on June 18, 1934. The distinguished Speaker of the House of Representatives, in the closing moments of our last session, said that there had been more work done with less talk in the doing of it than in any previous Congress in our history.

ACTION NOW

The President of the United States in his inaugural address made specific reference to the standstill policy of the Hoover administration. He stated that the people of this country, by their vote in 1932, had signified their desire for action and that he intended to give them action and action now. No person who is acquainted with the governmental functioning whether it be legislative or executive, can cast doubt upon the performance of this inaugural promise to the people.

It has been my pleasure and privilege in service upon the Ways and Means Committee of the House to assist President Roosevelt in carrying out some of the major portions of this great program. There were 197 roll calls in the two sessions of the Seventy-third Congress, and with the exception of my position on veterans' legislation, I have been shoulder to shoulder, eye to eye with the President of the United States. I did not vote for the so-called "economy bill", which was prepared by certain gentlemen who desired pension reform legislation. I had made many promises upon the subject to my constituents in the District, and likewise, to the whole people of Kentucky in the State-at-large race in 1932. In casting the vote I did, I was keeping my word to them. It was easily apparent that such vote could be misconstrued. Others may have broken their pledges for reasons sufficient unto themselves, but were I to have gone the easier road, I would have lost respect for myself.

It is needless for me to suggest that my position has been vindicated by subsequent events. This vote was cast in March 1933. In Executive orders, and by legislative amendments of June 16, 1933, signed by the President, more than $100,000,000 was restored in veterans' benefits. There have been many additional millions restored since that time. And, in the closing days of the Congress, a pension bill for dependents was passed that went further than any legislation that was on the books at the time of the passage of the objectionable legislation. More than 60 percent of the benefits have been restored.

No one in the country claimed that they did not want service-connected cases fully compensated. Yet the so-called "Economy Act" took thousands of service-connected cases off the roll. Many of them have been restored under the new law. There were certain objectionable features in connection with war-risk insurance that was in that bill. I took the position then that it was unconstitutional, and within the past month the Supreme Court of the United States held that it was unconstitutional and void.

I yield to no man in my loyalty to Franklin D. Roosevelt, President of the United States from the time he became the nominee of our party until now. Franklin D. Roosevelt is a man who believes in keeping sacred his promise. No President of the United States has ever demonstrated more fidelity to purpose of this character than has he. I have that same regard for my pledges and commitments.

I do not feel that it is necessary to deal longer upon this subject. But I would be glad to call attention to the colloquy on the floor between my colleague, JOHN YOUNG BROWN of Kentucky, our most bitter assailant at the time, and myself, just a few days before Congress adjourned, to wit, June 14, 1934, which is as follows:

Mr. VINSON of Kentucky. Does not the gentleman think he ought to be fair enough today, when he says he is not disloyal to the President today, to state that a man who follows the dictates of his conscience, his judgment, and his pledges to a constituency—and I am referring to myself—was not disloyal upon a previous occasion?

Mr. BROWN of Kentucky. I am willing to admit that.

As I have indicated, some of the most important portions of the Presidential program have come from our committee. I have given him the most loyal cooperation in all such matters. I have been honored with many conferences with President Roosevelt upon legislative problems. I am the happy possessor of a pen with which he signed the revenue bill of 1934.

TOBACCO BENEFITS UNDER A.A.A. FARM RELIEF ACT

As the Agricultural Adjustment Act was reported to the House, it was not only inoperative as to burley tobacco but in my opinion it would have been quite harmful to it. This condition was due to the fact that the parity period was fixed originally between 1909–14. This was the 5 years of the cheapest prices for burley in the past quarter of a century. As a matter of fact, the parity price in this period was 10 cents per pound, which would not have permitted of any benefit payments whatsoever for the 1933 crop, as the burley average for 1932 was 12.6 cents per pound. In order to show the condition that obtained, and particularly my efforts to remedy such harmful provision, I would refer to my speech in the CONGRESSIONAL RECORD for March 22, 1933, pages 708 to 709, wherein I submitted a letter addressed to me from Mordecai Ezekiel, economic adviser, office of the Secretary, together with certain amendments suggested that would permit a distinctive parity period for burley tobacco based upon the post-war price between 1919–28. As enacted, it was actually between 1919–29.

Under these amendments burley tobacco came under the Agricultural Adjustment Act. Without it there would have been no marketing agreements and no benefit payments, because the 1932 average was greater than the parity price originally called for in the bill. We realize that even with these amendments and these advantages the burley tobacco farmer did not receive for this 1933 crop the price actually justified. But when we recognize that this crop was the second largest crop in the burley history, and that the Government statisticians told us that upon the basis of history the crop would probably average between 8 and 8½ cents without the benefits of A.A.A., we feel that we have served a good purpose in ascertaining the conditions that obtained and being able to secure the amendment from the Agricultural Department that brought many millions of dollars to burley growers.

Frank C. Taylor, of Lexington, secretary-treasurer Burley Tobacco Growers Association, was present when this job was done.

The floor price for the 1933 burley crop was 10.6 cents per pound. There were 382,000,000 pounds sold. The difference of 2½ cents per pound between actual floor price and the estimated price of United States statisticians means eight to ten million dollars added money to burley growers. The rental payments already received total $4,000,000 to burley tobacco growers. All payments have not been made yet. Checks totaling almost half a million dollars have already been received in the counties of my congressional district.

The total amount of rental payment for Kentucky is two and one-half millions of dollars to be received on June 20. The Department of Agriculture advises me that it is reasonable to expect $9,000,000 to be paid the burley growers of Kentucky as further benefit payments for the reduction agreements. Conservatively speaking, the Department of Agriculture, through Dr. J. B. Hutson, Tobacco Administrator, advises me that they can figure at least two and one-half times the amount of the rental payments that will be paid out by the Government as added benefit payments. In accordance therewith there will be paid into the pockets of burley tobacco growers in my district more than $1,500,000 directly resulting from the amendment changing the parity period as above set forth. The point I would make is that there would have been no burley program whatsoever except for the change in the parity period. Tobacco is the only product that did not have a pre-war period for parity price. I am happy in having been of some service in this connection.

THE USUAL VACATION PERIOD OF 1933

There was very little vacation for me in 1933, which was due to two acts of my own choosing.

First. Th esponsoring of a resolution which authorized the Ways and Means Committee or any subcommittee thereof to work in vacation, looking toward the plugging of loopholes in the revenue acts.

Second. The burley conferences in Washington.

I will discuss the latter first.

THE BURLEY MARKETING AGREEMENTS

I am pleased to record that I was present in every public meeting that took place in Washington in the summer and fall of 1933, dealing with the marketing agreements for the 1933 burley crop. It is not my purpose to go into detail as to the work that I did in respect of this matter. I would prefer any of the tobacco growers from the Kentucky counties, who were present, to testify relative to my worth in this connection.

Speaking first of the grower's contract. No one present but will vouch for my statement that I was fighting for the largest cash price that could be obtained for the tobacco growers. At one time it was suggested that the marketing agreement should call for an average of 10 cents per pound. I feel certain that every person present will vouch for my persistence in the higher price. Twelve cents was finally agreed upon between the Government and the buyer. If this marketing agreement had called for a 10-cent price, the floor average for burley would have been much lower than it was, with the result in losses of several million dollars to our tobacco farmers. One high spot in these conferences is an all-night automobile ride to reach here for the first scheduled conference between the Government representatives and the tobacco manufacturers. Dr. M. B. Adams, Mr. Gus Brooks, Dr. Comer, and Mr. Marshal, all of Maysville, Ky., can bear witness for me in this respect, as they were in the same automobile.

Tobacco is the money crop of my district and State. Any benefit that can come to the tobacco grower in increased prices, means better living and an added opportunity for his family. It is not necessary for me to make a promise of efforts in behalf of the tobacco growers of my district and State. I gladly do it, but prefer to point to my efforts and achievements in my congressional career.

At the conferences where the marketing agreement hearings were held I caused an amendment to be included in the contract to require the tobacco manufacturers to make public the amount of tobacco purchased together with prices paid therefor. This would give open publicity to this transaction.

KERR BILL

This was the tobacco-control measure that those who signed the reduction program were much interested in. More than 90 percent of the burley growers of my district and State executed the reduction contracts. The control features of the Kerr bill extended over a period of 2 years—the life of the reduction contract. Six percent of

the production of any county may be allotted to such persons who for good reason cannot have fair allotment—two-thirds of whom will be those who produce less than 1,500 pounds of tobacco.

The purpose of this bill is to prevent the spread of acreage into territories which heretofore have never produced tobacco. It gives an advantage to those who have signed up the reduction contracts. Those who did not sign up the contract, and are not included within the 6-percent allotment, will receive about the same price for the tobacco that they would have received had no reduction program been undertaken. But it does not permit such outsider, who did not sign the contract or who is not included within the special provision of the bill, to receive the benefits resulting from the tobacco program. I spoke in favor of the bill.

TOBACCO GRADING BILL

This bill was reported out of committee in the closing days of Congress. It is the first time, so far as I know, that such a measure ever received favorable consideration from the House committee. That it would have been enacted into legislation admits of no doubt, except for the fact that tobacco growers in certain sections split over the legislation until the last hours of Congress. Any time that there is division in the ranks of farmers or laborers, right then you may know that delay in passage of legislation will result. So far as I know, tobacco growers of Kentucky were unanimous in their support of the Byrns Federal grading bill. I was very active in its behalf, and will be very happy to continue my efforts in behalf of this or similar legislation.

THE PLUGGING OF THE LOOPHOLES IN THE REVENUE BILL

I can confidently say that I first made the suggestion for the appointment of a subcommittee to endeavor to stop or plug the soles in our tax structure whereby the income-tax payer, particularly favored interests, avoided and escaped payment of taxes that Congress intended should be paid. As a matter of fact, the first work done along that line was in the 1932 revenue bill, at which time I offered an amendment, which was adopted by the committee and the House, eliminating the carrying over of losses beyond the year in which the loss was sustained. The Senate struck it out. This was months before the exposés made by the Senate investigating committee. It was under this section that Morgan & Co., Kuhn, Loeb & Co., and others had avoided payment of any substantial sums in taxes for 1930 and 1931, because of losses that had been sustained in 1932.

Following the disclosures, again on the N.I.R.A. bill I offered this amendment, and it was adopted in the committee without a dissenting vote, and passed the House and Senate and is now the law.

A resolution was introduced, authorizing the committee or any subcommittee thereof to work during vacation toward this end. I had charge of its passage on the floor. Chairman DOUGHTON honored me with an assignment to this committee. With weeks of study and effort, we submitted our report to the full committee the first part of December. Our report was substantially adopted by the full committee. The revenues picked up in these meritorious changes totaled more than $250,000,000 for the full fiscal year.

We have a similar committee appointed to continue this work and to particularly view the regulations of the Bureau of Internal Revenue. I am honored by my chairman with appointment to this committee.

The record will show that I initiated the movement to have a proper adjustment of the depreciated allowances in the income-tax reports. Strange as it may seem, in many instances more than 100 percent was being taken for depreciation. At first the Treasury did not take to my notion that many millions of dollars could be picked up by operating in this direction. To make a long story short, they finally agreed to change their regulations and will recover into the Treasury $85,000,000 per year because of this tightening up on this item.

OLD-AGE INSURANCE AND UNEMPLOYMENT INSURANCE

These are social problems that were given considerable consideration in this Congress. However, this is the first Congress that has undertaken legislation of this character. Hearings were held before a subcommittee of the Ways and Means Committee on a bill introduced by Hon. DAVID J. LEWIS, of Maryland, looking toward the creation of a fund for the benefit payments to unemployed during the period of the depression. It is a very comprehensive question as to the mechanics of it. The question of who should do it—the Federal Government, State government, or both—how the funds should be raised—by levying a tax upon the employer and the employee, or both, and the rate thereof—and just what amount should be paid, over what period of time, and under what condition. Voluminous hearings were held but it was finally thought best that this matter go over until the next session of Congress. The President of the United States is very much interested in endeavoring to solve this problem.

Very closely akin to the unemployment insurance is the old-age pension legislation that was pressed for action in this Congress. There were many problems in respect of it that were kindred with the unemployment insurance. Much thought and consideration was given to this character of legislation. A special resolution was passed looking toward a thorough investigation of the various methods proposed and plans suggested with instructions for the committee to report back to the Congress.

Legislation of this character, which deals with the support and maintenance of the aged and infirm, touches me very much. I have shown genuine interest in these problems and will be happy to continue such efforts. Ofttimes I am inclined to think that the material things are generally given first consideration. I think the first obligation we have toward our Government is the preservation of that splendid type of citizenship that has grown up in this country. The aged must have our very best thought and effort.

LABOR

In the closing hours of the Congress, there was enacted into law the Railway Employees Retirement Act, which is a forward step in giving consideration to the railroad men of America. I hardly think that it goes as far as it should go. It was compromise legislation. Railway men had divided into two groups supporting different bills looking toward this end. And, as stated in respect to the farmer, so it is with the workingman. They must be united on legislation to effectively put it across.

It is the thought in this modern day that consideration should be given to those who had grown old in the service of industry. That is the thought behind this bill, and it is a forward step. It serves two purposes. It cares for the aged, and in permitting of retirement and maintenance of the old employee it opens up an opportunity for another workingman to make a living for himself and family.

In the Railway Labor Act passed in the Sixty-ninth Congress, provisions were made for adjustment boards to settle minor grievances between the railroads and their employees. The language was permissive, but there was no thought in the minds of any Member of Congress that such minor grievances would not be determined in the manner therein set forth. Many railroads failed and refused to set up the adjustment boards. Thereby many just complaints of employees had no way of settlement, with constant irritation and loss of rights to which they were justly entitled. This last Congress saw the passage of a bill amending the Railway Labor Act in this and other particulars.

NATIONAL INDUSTRIAL RECOVERY ACT

The National Industrial Recovery Act, passed in the first session, can well be divided into several parts:

First. Direct relief, which carried $500,000,000 for relief to the needy.

Second. Public-works title, which authorized and directed the expenditure of $3,300,000,000 in public works; $400,000,000 of this was specifically earmarked and allocated for the construction of primary and secondary roads. The law endeavored to localize benefits to labor and furnished the material. The purpose was to spread, as evenly as legislation could do, benefits accruing from such construction.

Third. N.R.A. title: This portion of the bill saw recognition for the first time written into law for the laboring

man, which called for the setting up of minimum wages and maximum hours of labor, with provision for better working conditions. It wrote into the law the 30-hour week as it applied to Government projects. It authorized collective bargaining on the part of labor and the right to join a union of their own choice. Regardless of the application, the language is plain and not subject to misinterpretation.

Fourth. There were other sections of the bill dealing with emergency matters, particularly those referring to the revenue.

HOME FINANCING

Home Owners' Refinancing Act was approved June 13, 1933. Under it we have seen more than 300,000 small-home owners saved from foreclosure. This is of maximum benefit to the owner of the property, saving the roof over their head and that of their family, and likewise it is of benefit to the credit condition of the country generally.

The past session has seen legislation that enlarges the scope of the splendid parcel of recovery legislation.

BANKING LEGISLATION—THE EMERGENCY BANKING RELIEF ACT

This legislation was approved March 9. It was under this legislation that the closed banks were opened.

The Banking Act of 1933: This act was approved June 16, and created the Federal Deposit Insurance Corporation, which insured bank deposits. I feel that I should state in this connection that I had supported the guaranty bank deposit bill in the Seventy-second Congress, at which time it was severely criticized. However, I am happy to see the insurance of bank deposits playing such splendid part in the recovery program.

The original act insured deposits up to $2,500, but in the second session this amount was raised to $5,000.

TARIFF BILL

Many think that this is the most important piece of legislation that the Seventy-third Congress has enacted into law. It came from the Ways and Means Committee, and Chairman DOUGHTON, in control at that time, gave me distinct honor in permitting me to close the general debate, with almost an hour's time. This bill gives broad authority to the President of the United States to make trade agreements with foreign countries, looking toward the benefit of American agriculture and industry. It permits him, in effecting such agreements to raise or lower tariffs within 50 percent of their present rates. Those unfriendly to the legislation painted pictures of terrible possibilities. Their verbal barrage was in reality a lurid picture of fear. The President three times in his message stated that he would be cautious in the handling of this stupendous power, and that the purpose to which it would be put was to help American agriculture and industry, and not to harm it. Much can be expected from this legislation. However, proceeding cautiously and with care, it will not be an overnight affair. It looks toward lowering harmful tariff barriers in return for reciprocal or like consideration.

There was some discussion that war debts and their reduction or cancelation would be involved. A big hullabaloo was being raised by our Republican friends in this regard. Their fears were stilled upon the adoption of an amendment which I offered, signifying that no authority over war debts was included in the powers granted.

THE GOLD REPEAL—JOINT RESOLUTION

For once and for all time the gold-standard myth has been exploded. Even though prior to the passage of this resolution more than one-third of the currency of this country had no backing in gold reserve, the reactionaries and particularly the international bankers had built up in this country the notion that going off the gold standard would be calamitous in the extreme. Well, on June 5, 1933, we went off the gold standard and nothing but benefit has come from it.

Mr. Ferrell, former president of the United States Steel Corporation, in testimony before our committee, says that the only trouble in going off the gold standard was that we had not done it 18 months sooner.

GOLD-DEVALUATION ACT

This was approved January 30, 1934, which authorized the President to revalue the dollar at 50 to 60 percent of its existing statutory gold equivalent. The President fixed the value of the dollar at 59 cents. This was the finale, for the present, of coins of gold. The material is to be held in the Treasury in bullion form as reserve for paper currency. Some $3,000,000,000 was added to the gold values held by the Treasury.

This had quite a beneficial effect in our foreign trade, which has perked up considerably and is playing an important role in the recovery program. It permits foreign countries who had previously devalued their medium of exchange to buy American-made products. In Japan, for instance, where it formerly took 5 yen to buy one dollar's worth of American goods, since the devaluation of our dollar, it only takes 2 yen. It permits us to compete in world trade with nations who have heretofore devaluated their medium of exchange. France, several years ago, devalued its franc 80 percent. England cut her pound about 30 percent. Practically every nation in the world had devalued their currency, except Uncle Sam, and we were thereby seriously handicapped in the sale of American-made products in the world market.

THE BONUS BILL

Still discussing the money issues, as I have stated many times on the floor and in Kentucky, I believe that the expansion of our currency will do much toward the restoration of our prosperity. My thought in this connection is that there must be an increase of commodity values to the level of those days in which the bulk of our internal debt was created. In other words, a man should have a dollar today akin to the debt dollar he owes.

The devaluation of the gold dollar was controlled inflation as applied to our external or world trade. Internally it had no marked inflationary effect. Feeling as I do, I have supported all monetary legislation that has been presented with this end in mind. Most of it, however, has been permissive. That this power will be eventually used, I verily believe.

However, we had before us again the payment of the adjusted-service certificates in currency. I was honored with the privilege of closing the debate on this important legislation. Naturally, enactment of this law would be of benefit to the soldiers of the World War, but, in my opinion, its benefits would go far beyond that group. I believe that this added currency with certain definite control features would bring about the increased commodity prices for which all are aimed. So I supported the legislation which passed the House overwhelmingly, but which was defeated in the Senate.

SILVER PURCHASE ACT

While we are on the money question it might be well to refer to the silver legislation which was reported by our committee and enacted into law in the second session. It directs that the monetary stocks of the United States shall contain one-fourth silver. This will require the purchase of about 1,300,000,000 ounces of silver. It will give a broader metallic base. The money will be just as sound. The Secretary of the Treasury shall issue silver certificates to the amount paid for the silver bullion which is used as a reserve. The Secretary of the Treasury may issue silver certificates in addition to the actual cost of the silver and up to the monetary value thereof, which is $1.29 an ounce. This is an expansion of currency—if certificates are issued as against the monetary value, it will be a more extended expansion of currency. This latter power is merely permissive.

This bill came from our committee, and I assisted on the floor in its passage.

OTHER LEGISLATION ENACTED

It is impossible for me to discuss in detail all the legislation of the Seventy-third Congress, but I will call attention to the following acts which are of much significance in the recovery program:

The Securities Exchange Act, which is a regulatory measure of all stock and bond exchanges.

The Loans to Industries Act, under which the Federal Government may relieve small industries who are unable to finance themselves through regular banking channels.

The Farm Credit Act of 1933 granting loans for the production and marketing of agricultural products.

The Farm Mortgage Refinancing Act authorizing the issuance of $2,000,000,000 in bonds guaranteed by the United States for the purpose of refinancing farm debts.

The Civil Works Emergency Relief Act.

There are dozens of other important pieces of legislation, which the President sought and the Congress enacted, with a definite view of aiding national recovery.

CONCLUSION

I realize that this is a rather ragged résumé of the record of the Seventy-third Congress. I feel that the constituents of Representatives should know the magnitude of the efforts of the Congress. It is proper for them to know the part their Representative played in this history-making Congress.

Mistakes have been made, but the comparison of conditions today and 15 months ago, when the new deal began, is significant. There are charges of extravagant spending and forlorn lamentations in respect to the future. Those opposing the administration paint terrible pictures that only fear could inspire, but the question that any individual can answer for himself with reference to the success of this administration is, "Would you go back to the stagnation of a Hoover administration that feared to do?" The answer reverberating from Lakes to Gulf, from coast to coast, is a fearless "no."

GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE

Mr. SHANNON. Mr. Speaker, I have read the extension of remarks of Congressman ROBERT F. RICH, of Pennsylvania, entitled "Government Competition with Private Industry: The Condition and the Remedy." It is a correct statement of the case.

It is not an easy task to dislodge bureaus from business activities rightfully belonging to private enterprise. The Chairman of the House Committee on Expenditures in the Executive Departments stated that the only way to get the Government out of business is for the Congress to discontinue making money available to Government departments to manufacture needed supplies.

The speciousness of this argument is demonstrated by calling attention to the fact that millions of dollars have already been appropriated to set up business activities in the departments, and many of those activities can continue to function without the appropriation of an additional dollar. Just to mention a few cases in point:

Representatives of the Associated General Contractors testified before our special committee that there are 82 bureaus and offices of the Government with authority to carry on construction work or to design for construction; and that one governmental agency alone owns over $50,000,000 worth of plant and equipment used in construction and maintenance work.

Another illustration is the Government clothing factory at Philadelphia, equipped to manufacture 86 different articles.

The restaurant equipment in the post office at Chicago is said to have cost the Government $125,000.

The restaurant equipment in the Commerce Building at Washington is said to have cost over $100,000.

In the course of the hearings on the War Department appropriation bill for 1934, when testimony was being given concerning the manufacture of underwear at the Philadelphia depot, Mr. Collins, chairman of the subcommittee of the House Committee on Appropriations, commented:

Yes; there is an added thrill when a man wears a pair of drawers manufactured under the supervision of some Army officer.

Brig. Gen. Henry C. Whitehead, Quartermaster Corps, United States Army, when testifying before our special committee concerning the manufacturing activities at the Philadelphia depot, said:

We have heretofore manufactured handkerchiefs, sheets, and pillowcases. That, however, we are no longer doing.

Mr. Cox. When did you suspend those activities?

General WHITEHEAD. I think about 6 months ago.

Mr. Cox. Why did you suspend those activities?

General WHITEHEAD. We manufactured those with certain materials we had on hand, and it was the desire, on the part of the depot, to keep the organization employed when there was a slack in other things.

Again, Col. E. B. Gregory, of the Quartermaster Corps, United States Army, testified before our special committee concerning the business activities of the Jeffersonville, Ind., plant:

Mr. Cox. Just what improvement do you look for in manufacturing pans and pots and tables and these ornamental metallic articles you put out? There is no improvement that you look for in the making of pans, is there?

Colonel GREGORY. No. As far as that is concerned, about the tables, the justification was to provide continuous employment for these men.

Hence we find the bureau heads defending their business activities on the ground that they want to perpetuate themselves and their personnel. Under similar circumstances private enterprise would curtail its activities; but the tendency of Government bureaus is to expand, even to the extent of taking on useless functions.

I find that the dislodgment of the bureaus from the field of business in competition with private industry is made more difficult, in many instances, due to the interrelationship that exists between the chairmen of congressional committees and the bureaus. The bureaus are thoroughly intrenched, and the bureau heads never fail to convince gullible committee chairmen that the Government cannot function without them. All congressional committee chairmen are not under the spell of bureau officials, but many are.

A Congressman recently recited the case of a bureau created at the close of the Civil War, known as the "Returns Office of the Department of the Interior", whose function was to keep a record of all contracts growing out of that war and to make the records available for public inspection. This bureau functioned up to 1928, 63 years after the close of the War between the States. There was hardly a soldier of the contest left, and the number of visitors to the bureau was reckoned at 5 or 19 per year, but still the bureau functioned. Well can it be said, "once a bureau, always a bureau." None ever die voluntarily and very few legislatively. The birth rate is vastly in excess of the death rate.

Perfection in bureaucracy is reached—

First, when a dignified salary is paid the bureau head;

Second, when special fiscal prerogatives in the purchase of living supplies are accorded the bureau in the way of discounts, and so forth; and

Third, by a revival of the assumption of the ancient doctrine of the presumption of correct motive of the bureau head, and this not to be questioned or doubted by an unenlightened public.

Almost every department head is averse to the establishment of an accurate method of cost accounting in the executive departments of the United States, and so went on record. One of the department secretaries said he wanted an appropriation to be used as a yardstick, to determine costs; still he wrote to the Chairman of the Committee on Expenditures in the Executive Departments that he was opposed to being required to give an accounting of costs. The yardstick that should be used in all Government matters is a comprehensive method of cost keeping.

I confidently believe that if an accurate method of cost accounting were established in every department of government—municipal, county, State, and National—untold millions would be thereby saved to the public. We have the spectacle in Washington of almost every bureau head protesting against a proposed law requiring them to tell what it costs to carry on their activities.

We have the Chairman of the Committee on Expenditures in the Executive Departments asking the department heads,

in effect, to object to the cost accounting bill. This is the letter he wrote them:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EXPENDITURES IN
THE EXECUTIVE DEPARTMENTS,
Washington, D.C., January 23, 1934.

DIRECTOR OF THE BUDGET,
SECRETARY OF WAR,
SECRETARY OF THE NAVY,
SECRETARY OF THE TREASURY,
SECRETARY OF COMMERCE,
SECRETARY OF LABOR,
COMPTROLLER GENERAL,
ADMINISTRATOR OF VETERANS' AFFAIRS:

The committee has been asked to hold a hearing on the attached bill, H.R. 6038. Before doing so I would like an expression from your department on the measure. *It seems to me this would prove very costly to the Government.* If that be so, can you estimate what it would cost your department to comply with such a law?

Sincerely yours,

JOHN J. COCHRAN, *Chairman.*

And every department head, save one, followed the suggestion of the chairman and expressed their disapproval of the measure. Comptroller General J. R. McCarl was the exception. He said this:

An existing condition which is subject to abuse and may be corrected by the enactment of legislation along the lines proposed by the bill is the present possibility of expending public funds for a given purpose in excess of express appropriation limitations for such purpose. The present system of accounting does not disclose the contributions obtained from other sources to supplement limitations expressly fixed by the Congress, as for example the diversion of inventories and services paid for from other appropriations; hence the will of the Congress may in a given case be largely defeated, not always in a deliberate attempt to that end but because the means for doing so are readily available.

* * * * * * *

The expense incident to maintaining a complete cost-accounting system for the Government should not materially increase the expenditures now made for fiscal accounting as it seems entirely feasible to operate a cost system in conjunction therewith and the present facilities and personnel should to a great extent and under proper administration absorb the additional work involved. I hesitate to venture an estimate of the cost of administering the law, because of insufficient data available upon which to predicate such an estimate, but I confidently believe that through the operation of a proper cost-accounting system there will result economies and advantages that will many times outweigh the cost thereof.

Who knows better than the Comptroller General of the United States, with 12 years of continuing experience behind him, the overwhelming need for the reform our cost-accounting bill proposed? It is aimed at the very thing the Comptroller General emphasizes as necessary if the will of Congress as the guardian of the public purse is to be executed. Yet the Chairman of the Committee on Expenditures in the Executive Departments declared, in the extension of his remarks in the CONGRESSIONAL RECORD of June 16, page 12261:

During this Congress a great deal of time has been given to the question of government in business. The committee of which I am chairman has considered this matter for months. No Member of Congress in recent years has done more than I have to remove the Government from competition with private industry.

What an opportunity was neglected by the gentleman from Missouri. Our bill met the very conditions with which Congress is confronted, for all the future controls that might be put upon appropriations cannot cure the conditions which have already been created through which dozens of bureaus and agencies have been established, each eager to spawn a new activity and to repossess a vested interest in the maintenance and enlargement of Government competition with the citizen. No Member of Congress, no official of the Government, no accounting office can today tell the public the actual costs of Government operations. No department, executive establishment, or Government agency, under existing methods of accounting, could, if it were willing to do so, report with accuracy the costs of its own operations, for many of its charges are paid out of appropriations of other interrelated Government agencies, and no complete picture would be possible until Government agencies are required to keep accounts under a system that would reveal their costs exactly as they do those of private business organizations. That the people are entitled to know. That the people do not know; nor does Congress know. Those who block the attempt to secure that information are keeping the secrets of public extravagance from popular and congressional knowledge. It is unfortunately too true that the Committee on Expenditures in the Executive Departments "considered this matter for months", to use the words of the chairman of that committee. It did not act. There was much evidence that a majority of the members of the committee were willing to do so, but unfortunately the committee was not given a chance to meet and express its opinion on the bill which had been so long the subject of deliberation.

What the country needed, what Congress desired, was not deliberation; it wanted action, and it deserved to get it.

Of course if Congress and the people knew how much it cost to carry on these business activities of the Government which are destructive of private enterprise, it would be but a short time until they would be dispensed with.

This fight is not an easy one to win. It will take time to do so. A rebuff now and again should not deter those who are making the fight. To quote from Thomas Jefferson:

It is an encouraging observation that no good measure was ever proposed which if duly pursued failed to prevail in the end. * * * And you will be supported by the religious precept, "Be not weary in well-doing."

This fight is all-important. The abuse sought to be corrected by it strikes at the very foundation of this Government, for the Republic cannot survive unless the evils growing out of bureaucracy are eliminated.

The evils of government in business are recognized by the present Pope, who stated in an encylical recently issued:

It is wrong to withdraw from the individual and commit to the community at large what private enterprise and industry can accomplish.

The deduction to be made from this statement is that when the citizen is deprived of an opportunity to earn a living, not only is he injured but in the end the very government itself is destroyed.

Hence, this is not merely a fight to restore opportunity to the citizens of this country, but it is a fight for the preservation of the Republic. Bureaus should limit their functions to governmental matters, and should keep out of business activities belonging to private citizens.

Those of us who advocate the divorcement of Government and business are right. In addition, we are on sound Democratic ground. The latest utterance of the Democratic Party on the subject was in the platform adopted by the Democratic National Convention in 1932, which advocated—

The removal of government from all fields of private enterprise except where necessary to develop public works and natural resources in the common interest.

And our President wrote:

I am for this platform 100 percent.—Franklin D. Roosevelt.

That plank of our platform, and its endorsement by the President, is the recognition of a fundamental philosophy which lies at the bottom of our Government, for the function of our Government is political and not economic. It was established to perpetuate and protect the rights of the citizens. To that end the 10 amendments were written, without which the Constitution could not have been adopted. Those amendments were precautions taken by a people familiar with seven centuries of English-speaking experience. They knew from the history of the English race the many ways through which kings or parliaments or powerful minorities could overwhelm helpless individuals or dominated majorities. They knew the individual was the dynamo of progress; that through him and his activities and his desire to improve his own condition and that of his family, new standards of living were built through all the ways in which individuals in concurrence with their talents improve the society of which they are a part. The last thing our people had in mind was the thought that their Government would become a great and often unfair competitor with the citizen whose activity it was the business

of Government to protect and promote. It is this destructive influence of Government as a maker of things and a performer of services that threatens recovery today. It means vast unknown, uncontrolled, and extravagant expenditures in every form of business activity. The evidence of this is spread over the face of the record. It is to check this, and to make Government activities, where properly engaged in, fair in their competition with the citizen, to limit them to their appropriate fields, and, above all, to establish the means by which accurate comparisons can be made between Government and private operations, that our cost-accounting bill is aimed. It is therefore of the first importance to every citizen.

The man who opposes that effort consciously or unconsciously is making it steadily more difficult for the citizen to earn a living. It is piling upon the citizen's back an enlarging bureaucracy that in our Federal, State, and local governments is now employing 1 person in 12 among our population; with the natural result that this public army is seeking new activities and steadily enlarging the overwhelming burden of taxation.

The cost-accounting bill, recommended by our special committee, had the endorsement of practically every business group in the United States, including the National Association of Manufacturers and the United States Chamber of Commerce. Typical of these endorsements was Legislative Bulletin No. 90 of the Industrial Recovery Service Bureau, sponsored by the Industrial Club of St. Louis in conjunction with the St. Louis Chamber of Commerce. This bulletin was signed by Mr. M. M. Drake, director of the Industrial Recovery Service Bureau, and stated, among other things:

* * * There certainly can be no objection to the Government setting up its costs on the same basis as private enterprises. Without such records no one can determine whether it is wise for our Government to engage in these activities.

This bill (H.R. 6038) has been referred to the Committee on Expenditures of the Executive Departments, and is slumbering, and will continue to slumber unless pressure is exerted to have hearings held on it. The chairman of this committee is Congressman JOHN J. COCHRAN, from St. Louis.

Yes; as the gentleman from St. Louis said, the bill was slumbering on January 25, 1934; and verily it is now in a state of deep sleep.

This bill was introduced on June 10, 1933, in the closing days of the special session of this Congress; hence, it was in the hands of Chairman COCHRAN every day of the regular session which convened on January 3, 1934. The first hearing on the measure, forced by commercial interests of this country, was on February 21, 1934.

The intrenched bureaus realize the importance of putting legislation objectionable to them to sleep. It is said that when Jupiter formed the design of creating Sleep he mingled the juices wherewith sleep should soothe the hearts of mortals—herb of enjoyment and herb of safety.

Bureaucracy is skilled in the art of putting measures to sleep in committees. The herb of enjoyment and the herb of saefty were mingled, and the cost accounting bill was put to sleep and laid away in the portmanteau of Chairman COCHRAN. Bureaucracy is breathing easier.

But again returning to Jupiter: "With this juice," he said, "pour slumber upon the eyelids of mortals. So soon as it hath touched them they will lay themselves down motionless, under thy power. But be not afraid; they shall revive, and in a while stand up again upon their feet."

And so it will be with the cost accounting bill; it shall be revived, and all that will be necessary to bring it into successful operation as a law will be the perseverance of those who favor it.

KEEP THE HOME FIRES BURNING

Mr. SNYDER. Mr. Speaker, the people in my district are and will be forever grateful to the Seventy-third Congress of the United States for the courteous and generous treatment received at the hands of this Congress.

The people in my district rallied to the Roosevelt program in a big way, and I dare say that this very hour the laymen, made up of the miners and the farmers and the little business men, as well as most of the big business men and business institutions in my district, are more enthusiastic about the program today than they were a year ago.

Mr. Speaker, I hear you ask me why are they more enthusiastic about the program today than they were a year ago. If you could have gone with me to the streets of my leading towns on a Saturday evening a year ago, and then go with me to these same streets in the same towns next Saturday evening, I would not have to use any words to tell you why. You would see with your own eyes the contrast. A year ago—few people on the streets and the stores practically empty; today—the streets crowded and the stores filled and the clerks busy.

Please do not misunderstand me. I do not mean to say that everybody is now employed who would like to work, but I do wish to make clear to you that the several businesses of my district have picked up an average of more than 50 percent, and that, comparatively speaking, our people are socially and financially 50 percent better off than they were a year ago.

Mr. Speaker, it was an inspiration to hear our most worthy majority leader, Mr. BYRNS, say that it made him happy to participate in the activities of the Seventy-third Congress because of the constructive policy which it pursued. I am glad that I had the privilege of sitting at the feet of such a majority leader during this session. I am also happy that I was privileged to occupy a seat in the Congress of the United States when we have as our Speaker the gentleman, scholar, and statesman, Hon. HENRY T. RAINEY. I am glad I had the opportunity to play a small part in setting up the administration's program. I am glad I had an opportunity to confer with that great humanitarian and statesman, Franklin D. Roosevelt; and I am also happy to have had the privilege of rubbing shoulders with the Members of the Seventy-third Congress.

Mr. Speaker, as we check up the activities of this Congress, it seems to me that the whole purpose was to make our several communities and the Nation a better place in which to live to organize our social and economic fabric so that we might hand to our children a more stable Government; to perfect and harmonize the workings of our business institutions and social institutions so that we might hand to our posterity a heritage that will be worth while.

According to the figures handed me by the relief agencies in my congressional district March 1, 1933, more than 50 percent of the men, women, and children in the district were on relief. Just a small percent of the taxes could be collected because men had no work. Mortgages were being taken out on homes and farms. Scores of business houses and stores had failed and were failing. The county treasury was empty. The State set-up for relief was practically exhausted. The masses looked toward Washington for relief. And Washington, or the Federal Government, responded.

I am glad that I sat in the Congress that gave to the needy of the Nation. Since March 1933 the Federal Government has given to my congressional district most liberally. I do not have all of the figures, but in part they are as follows:

For Federal road work, Fayette County, in 1933	$339,218.00
For direct relief, Fayette County	1,322,762.24
for C.W.A. program, Fayette County, November 1933–March 1934	843,105.70
For Federal road work, Somerset County, 1933	319,000.00

For direct relief, Somerset County approximately 40 percent of allotment for Fayette County.

For C.W.A. program, Somerset County, approximately same as allotment for Fayette County.

Added to this we now learn from Relief Administrator Harry L. Hopkins and the agencies attached thereto that sufficient money will be set aside for Pennsylvania to look after the unemployed for the next year in even a better set-up than we have enjoyed.

Not all figures are available of allotments for Pennsylvania, but the Bureau of Public Roads gave me the following figures this morning:

Allotments to Pennsylvania for public roads

1934	$9,590,000
1935	5,900,000
1936	5,900,000

This means that Fayette County in proportion will receive during the next 3 years about the same allotment from the Federal Government for highway construction as it received last year, when the State received $19,000,000 plus. Somerset County will receive proportionately the same allotment.

The Federal Government also sent its special representative to my county, Fayette, and after checking up on the some 1,100 families left in care of the poor directors of the county they generously provided for some 650 of these families with Federal funds.

Mr. Speaker, the Federal Government has been a real Santa Claus to my people in my district in many cases, as the above figures and contributions show. I am glad that I can point to these facts when my constituents ask me what the administration has done directly for them. However, I am looking forward to the not far-distant time when the administrative program that the Seventy-third Congress passed will function in such a way that all these people in my district and in every congressional district in the United States will have work at a living wage and we will no longer have need of Federal funds for direct relief or reemployment.

I for one do not look with favor upon the Government's going into business to any degree where it will interfere with private business, and that is not the purpose of the program of the Seventy-third Congress. The purpose is to stimulate business, so that private business may be able to adjust itself and absorb all unemployment. Of course, this will take time.

I am looking forward to the time, and it will not be many years, when we will be enjoying prosperity such as the Nation has never enjoyed. I for one believe that we must have set-ups in our business institutions so that they can operate and enjoy a reasonable living profit and at the same time pay a living wage to those employed to run the respective businesses.

It is the intent and the purpose of the N.R.A., with its several codes for the several businesses of the Nation, to have a set-up and working procedure in every business so that the operator may have a living wage as well as the individuals that the operator employs. It will take several years to adjust these codes and business practices so as to bring about these happy conditions.

Mr. Speaker, as we go along we must not forget the Nation's most outstanding institutions. We must not forget those citizenship-building institutions that contribute most to the happiness and prosperity of the next generation—the schools of our Nation. The schools of any community, any county, any State are closer and nearer and dearer to both students and parents when they are financed by the respective communities in which they are located, or the respective States or counties, as the case may be. However, in a panic or crisis like this, when the taxpayers in the communities and counties are burdened beyond what is right, it is only fitting that the Federal Government should step in and give aid. Therefore I trust that the allotment this session of Congress set aside for public institutions, public works, and rehabilitation, and other purposes, will be sufficient to reach out and help the schools of the Nation wherever absolute help is needed. In my own district and in my own State we have school districts that are financially bankrupt. In such cases we should encourage the fathers and mothers who live there and have lived there to keep their homes intact by taking care of school expense until such time as these homes are no longer endangered by overtaxation.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until 12 o'clock noon on Monday.

The motion was agreed to; accordingly (at 11 o'clock and 32 minutes p.m.) the House stood in recess until Monday, June 18, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

504. Under clause 2 of rule XXIV, a letter from the Acting Secretary of War, transmitting a copy of Resolution No. 44 of the Municipal Council of Piddig, Province Ilocos Norte, P.I., relative to Public, No. 127, Seventy-third Congress, the New Philippine Independence Act (H.Doc. No. 504), was taken from the Speaker's table, referred to the Committee on Insular Affairs, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MEAD: Committee on the Post Office and Post Roads. House Report No. 2058. A report on the Seatrain contract. Referred to the House Calendar.

Mr. MEAD: Committee on the Post Office and Post Roads. House Report No. 2059. A report pursuant to House Resolution No. 226 (72d Cong.) and House Resolution No. 59 (73d Cong.). Referred to the House Calendar.

Mr. ROGERS of New Hampshire: Committee on Military Affairs, Subcommittee No. 3. House Report No. 2060. A report on the investigation under House Resolution No. 275. Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. Senate Joint Resolution 108. A joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador; without amendment (Rept. No. 2044). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 3248. An act for the relief of J. B. Walker; with amendment (Rept. No. 2053). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H.R. 9384. A bill for the relief of Luther M. Turpin and Amanda Turpin; without amendment (Rept. No. 2054). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4258. A bill for the relief of Flora Yost (Klinawski); with amendment (Rept. No. 2055). 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. BRUNNER (by request): A bill (H.R. 9949) for the relief of Walter Motor Truck Co., Inc.; to the Committee on Claims.

By Mr. McSWAIN: A bill (H.R. 9950) to provide for the erection of a tablet to the memory of Ann Pamela Cunningham; to the Committee on Military Affairs.

By Mr. SNYDER: A bill (H.R. 9951) granting a pension to George C. Shuckhart; to the Committee on Pensions.

Also, a bill (H.R. 9952) granting a pension to Arlington Shaffer; to the Committee on Pensions.

Also, a bill (H.R. 9953) granting a pension to David B. Lawson; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H.R. 9954) to adjust and equalize benefits for veterans and widows and dependents of veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 9955), to establish the Bureau of Veterans' Affairs in the Department of the Treasury with the Commissioner of Veterans' Affairs at the head thereof, to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such bureau, to adjust and equalize pensions of veterans and widows and dependents of veterans, and for other purposes to the Committee on Expenditures in the Executive Departments.

By Mr. LLOYD: A bill (H.R. 9956) incorporating the American White Cross Association on Drug Addiction; to the Committee on the Judiciary.

By Mr. RANDOLPH: A bill (H.R. 9957) to authorize appropriations for the relief of unemployment through the performance of useful public work on land under the control of the Forest Service, and for other purposes; to the Committee on Agriculture.

By Mr. DOCKWEILER: A bill (H.R. 9958) to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. McFADDEN: A resolution (H.Res. 451) to investigate financing of the two major party national conventions, and for other purposes; to the Committee on Rules.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing Congress in favor of legislation providing for a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of New Jersey, memorializing Congress to enact an antilynching law; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. CUMMINGS introduced a bill (H.R. 9959) granting a pension to Ethel R. Blake, which was referred to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

5176. By Mr. JAMES: Resolution from Joseph L. Stanchina, president, and Joseph A. Canale, clerk, of the village of Caspian, Mich., favoring the passage of H.R. 7598; to the Committee on Labor.

5177. By Mr. LINDSAY: Petition of the Central Union Label Council, Brooklyn, N.Y., urging favorable action on the Connery 30-hour week bill; to the Committee on Labor.

5178. Also, telegram from Edward F. Caldwell & Co., Inc., V. F. Von Loosberg, president, New York City, urging vote against substitute for Wagner labor bill; to the Committee on Labor.

5179. Also, petition of F. Weidner Printing & Publishing Co., Brooklyn, N.Y., opposing the new Wagner labor disputes bill; to the Committee on Labor.

5180. Also, telegram from David Dubinsky, president International Ladies Garment Workers Union, New York City, favoring Connery 30-hour week bill; to the Committee on Labor.

5181. Also, petition of the Montefiore Hospital Alumni Association, New York City, favoring H.R. 7598, the unemployment and social insurance bill; to the Committee on Labor.

5182. By Mr. O'MALLEY: Petition signed by 5,000 residents of the Fifth Wisconsin District, protesting against the exclusion of Judge Rutherford's programs from radio; to the Committee on Merchant Marine, Radio, and Fisheries.

5183. By Mr. RUDD: Petition of the F. Weidner Printing & Publishing Co., Brooklyn, N.Y., opposing the passage of the Wagner disputes bill; to the Committee on Labor.

5184. Also, petition of Michaels Bros., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5185. Also, petition of the International Ladies' Garment Workers Union, New York City, favoring the passage of the Connery 30-hour week bill; to the Committee on Labor.

5186. Also, petition of Edward F. Caldwell & Co., Inc., V. F. Von Lossberg, president, New York City, opposing the substitute for the Wagner labor bill; to the Committee on Labor.

5187. Also, petition of the Central Union Label Council, Charles E. Sinnegen, secretary, Brooklyn, N.Y., urging enactment of the Connery 30-hour week bill; to the Committee on Labor.

5188. By the SPEAKER: Petition of the Daytona Chamber of Commerce, Daytona Beach, Fla.; to the Committee on Ways and Means.

5189. Also, petition of the Unemployed Citizens' League of Bethlehem, Pa.; to the Committee on Ways and Means.

5190. Also, petition of M. L. Wilson and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5191. Also, petition of Cragin State Bank Depositors Justice Committee; to the Committee on Banking and Currency.

5192. Also, petition of the Cragin State Bank Depositors' Justice Committee; to the Committee on Banking and Currency.

5193. Also, petition of S. C. Hoppes, and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5194. Also, petition of numerous employees of the Minneapolis & St. Louis Railroad Co., supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5195. Also, petition of S. S. Sweet, and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5196. Also, petition of the New York County Republican Committee, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

5197. Also, petition of the Seaton Farmers Grain Co., Seaton, Ill.; to the Committee on Interstate and Foreign Commerce.

5198. By Mr. BOYLAN: Letter from the Central Union Label Council of Greater New York, representing 250,000 organized workers in that vicinity, favoring the passage of the Connery 30-hour week bill; to the Committee on Labor.

5199. By Mr. WHITE: Petition of the granges of the State of Idaho opposing the repeal of the long-and-short-haul clause of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, JUNE 18, 1934

(Legislative day of Wednesday, June 6, 1934)

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 3646) 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.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 1639. An act to establish a Federal Credit Union System, to establish a further market for securities of the