clared that the members of the present Philippine delegation, now in Washington pleading for immediate and complete independence, are " obstructionists " and " do not carry the mandate of the Filipino people." The Philippine League for Freedom endorses the stand taken by the Philippine Legislature in rejecting the Hare-Hawes-Cutting Act, and condemns Mr. MONTET's statement against the delegation; to the Committee on Insular Affairs.

2697. Also, resolution unanimously adopted by 600 Filipinos of Chicago, January 1, 1934, commemorating the thirty-seventh anniversary of the death of Dr. Jose Rizal, pledging their whole-hearted support and undivided loyalty to the present independence delegation headed by Hon. Manuel L. Quezon, president of the Philippine Senate; to the Committee on Insular Affairs.

2698. Also, resolution unanimously passed by the League for Philippine Freedom assembled January 28, 1934, questioning the statement by the Chairman of the Senate Committee on Territories and Insular Affairs to the effect that " it was the overwhelming opinion of Congress that the Hawes-Cutting Act is the fairest bill to both Nations which can be passed, and that if the Filipino people do not want it, no better bill can be written and passed which will be acceptable to both Nations "; and asserting that it rejoice in the knowledge that the Filipino people have petitioned, and still petition, the Congress of the United States to grant them the independence which they honorably covet; to the Committee on Insular Affairs.

2699. Also, petition subscribed by the members of Cuyo Camp, No. 35, Veterans of the Spanish-American War, and signed by Manuel Juan, commander, Camp No. 35, and others; Department of Veteran Army of the Philippines, United Spanish War Veterans, Cuyo, Palawan, P.I., November 13, 1933, respectfully requesting, first, that pensions be extended to all Spanish-American War veterans without age limitation; second, that the point of service be above all the measure considered in the matter without discriminating residents and nonresidents in the continental United States; and third, that more equitable and reasonable treatment be accorded to all veterans who fought and gave their best under the American flag; to the Committee on Appropriations.

2700. By Mr. HILDEBRANDT: Petition of the Lincoln Parent-Teacher Association of Sioux Falls, S.Dak., urging passage of House bill 6097 for supervision of motion pictures, known as the " Patman bill and House Resolution 144 "; to the Committee on Interstate and Foreign Commerce.

2701. By Mr. JOHNSON of Texas: Petition of C. M. Bredehoft, of Centerville, Tex., opposing the Tugwell bill; to the Committee on Interstate and Foreign Commerce.

2702. Also, petition of Austin Beene, Hillsboro, Tex., opposing the Tugwell bill; to the Committee on Interstate and Foreign Commerce.

2703. By Mr. KRAMER: Petition of California State Chamber of Commerce, protesting against the proposed reductions in the research and extension work of the United States Department of Agriculture; to the Committee on Agriculture.

2704. Also, petition endorsing House bill 5694, pending before Seventy-third Congress, the purpose of which is to create a Bureau of the Blind in the Post Office Department, to provide for the issuing of licenses to blind persons to operate stands in Federal buildings, and for other purposes; to the Committee on the Post Office and Post Roads.

2705. By Mr. LAMNECK: Petition of Stella S. Elder, president, Ada Rees, secretary, Woman's Home Missionary Society, Third Avenue Methodist Episcopal Church, urging early and favorable hearings on the Patman motion-picture bill, H.R. 6097, providing means for higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

2706. By Mr. LEHR: Petition of the House of Representatives of the State of Michigan (the senate concurring), petitioning the President of the United States, Franklin D. Roosevelt, to recommend to Congress the enactment of legislation providing that as a regulation of interstate commerce all taxes or excises of any State on personal property may be levied upon, or measured by, sales of like property in interstate commerce, by the State into which the property is moved for use or consumption therein; to the Committee on Ways and Means.

2707. By Mr. PETTENGILL: Petition of L. E. Thornton, of Elkhart, Ind., and several hundred others, in behalf of the Hatfield-Keller railroad labor pension bill; to the Committee on Interstate and Foreign Commerce.

2708. By Mr. RICH: Petition of the Abbie M. Everett Woman's Christian Temperance Union of Williamsport, Pa., favoring House bill 6097; to the Committee on Interstate and Foreign Commerce.

2709. By Mr. SHANNON: Petition of Elmer Urie and 160 others, urging that the House adopt the Steiwer-McCarran amendment to the independent offices appropriation bill, relating to Spanish-American War veterans; to the Committee on Appropriations.

2710. By Mr. SMITH of Washington: Petitions signed by 2,017 residents of Cowlitz, Thurston, Mason, Lewis, and Clark Counties, State of Washington, requesting that legislation be enacted by Congress to restore to the Spanish War veterans, their widows and dependents, the pensions which they formerly received (the petitions state that practically 98 percent of the people approached signed the documents); to the Committee on Appropriations.

2711. By Mr. SUTPHIN: Petition of the American War Mothers Association, urging that a commemorative Mothers' Day stamp be authorized and issued by the Post Office Department; to the Committee on the Judiciary.

2712. By Mr. WOLCOTT: Petition of Henry J. Welkenbach and 14 others, asking for relief for Spanish War veterans by the restoration of pensions; to the Committee on Expenditures in the Executive Departments.

2713. Also, petition of C. W. Spaulding and 20 others, advocating the enactment of an amendment to the pure food and drug laws to assure continued professional protection of legally responsible registered pharmacists; to the Committee on Interstate and Foreign Commerce.

2714. Also, memorial of the Legislature of the State of Michigan, to enact legislation to correct discrimination against sales at retail; to the Committee on Ways and Means.

2715. By the SPEAKER: Petition of Branch 105, Russian Mutual Aid Society; to the Committee on Labor.

HOUSE OF REPRESENTATIVES

SATURDAY, MARCH 3, 1934

The House met at 12 o'clock noon.

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

O Lord and our God of all comfort, gentleness, and long-suffering, bear with our limitations, teach us, and give us help. Renew and refresh our strength and persuade us that difficulties are the playthings of heroes, and may we not complain. Here we would energize and fortify ourselves by prayer and supplication. O let us feel the breath divine. Take our errors, our pains, and our sins to Thy compassionate breast, and there may we find a place of forgiveness, harmony, and accord. O tell us, Heavenly Father, that there is a place where no eye weeps, no heart bleeds, and the feeblest effort at goodness receives support. We beseech Thee, blessed Lord, give us the power of a mighty faith to satisfy our hunger, a faith that climbs high, heaven kissed; then ours shall be a growth in wisdom, a growth in knowledge, a growth in courage, and a growth in love. Amen.

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

COLLATERAL SECURITY FOR FEDERAL RESERVE NOTES

The SPEAKER. The pending business is the further consideration of the bill (S. 2766) to extend the period during which direct obligations of the United States may be used as collateral security for Federal Reserve notes.

Without objection, the pro forma amendments will be withdrawn, and for the information of the House the Clerk will report the Patman amendment and the Brown substitute for the Patman amendment.

The Clerk read as follows:

Amendment by Mr. PATMAN: Page 2, line 9, after the word "however", strike out "That until March 3, 1935, or until the expiration of such additional period not exceeding 2 years, as the President may prescribe" and insert in lieu thereof "That until June 3, 1934."

Amendment by Mr. BROWN of Kentucky for the amendment offered by Mr. PATMAN: Page 2, lines 10 and 11, strike out "March 3, 1935, or until the expiration of such additional period not exceeding 2 years" and insert in lieu thereof "such time not exceeding 1 year."

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

The SPEAKER. The gentleman will state it.

Mr. SNELL. I did not understand the original statement of the Speaker with regard to the parliamentary situation. Was one of these amendments defeated last night?

The SPEAKER. No; these amendments are pending. The Busby amendment was defeated. The pending amendment is the Brown substitute for the Patman amendment.

Mr. SNELL. Then it would be in order to offer a substitute amendment to the Brown amendment.

The SPEAKER. An amendment could be offered to the Brown substitute amendment.

Mr. BLANTON. Mr. Speaker, there has been one amendment to the Brown substitute already.

The SPEAKER. That has been disposed of; it was defeated.

Mr. SNELL. Mr. Speaker, may the Brown substitute amendment be again reported?

The SPEAKER. Without objection, the Brown substitute amendment will be again reported.

The Clerk read the Brown substitute amendment.

Mr. McGUGIN. Mr. Speaker, I move to strike out the first word.

Mr. Speaker, I cannot help but believe that the House last evening was taking some matters unduly seriously. It is true this bill was brought up yesterday afternoon when the Membership of the House had no warning that it was going to be brought before the House. I do not like that way of legislating.

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

Mr. McGUGIN. I yield.

Mr. GOLDSBOROUGH. I call the gentleman's attention to the fact that the bill was brought up by consent; it was brought up under the general rules of the House.

Mr. McGUGIN. I understand that, but very few of the Members were here. Ordinarily we should have greater opportunity of knowing the contents of bills; but so far as this particular bill is concerned there is not anything new about it. As a matter of fact it is 2 years old; it has been in operation 2 years. Not only have we had time to observe the bill for 2 years but we have the advantage of the experience gained through its operations for these 2 years.

The bill was first enacted during the Hoover administration when the Democrats were in control of the House. For 1 year it was administered under Mr. Hoover, and for 1 year it has been administered under Mr. Roosevelt.

In the light of experience the bill is not subject to the criticism that there is an abuse on the part of the Executive Department of controlling the value of money under this bill. I am in full accord with the gentleman from Kentucky [Mr. BROWN] in his statement that Congress should meet its constitutional responsibility of coining money and regulating the value thereof; but we cannot set up the printing presses on the floor of the House.

This bill is for a temporary period of time, for 1 year plus 2 more years, within the discretion of the President.

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

Mr. McGUGIN. I will yield later if I have time.

I was opposed to the so-called "devaluation bill" when it was in the House because it was permanent legislation, and Congress, by a majority vote, was permanently vesting in the Executive power which could only be returned to Congress by two-third vote. That is not this bill. This bill is for a limited period of time, for 1 year, and for 2 more years if the President chooses to extend it. I can see no occasion for the criticism which has been leveled against this bill unless you are opposed to the bill in its entirety.

Now, as to the Patman amendment extending the time for 3 months, I do not believe we want to start into the business of legislating 3 months at a time; that period is too short. Personally, if I had my way about it, I should rather by this bill extend the time for 2 years positively, and then if at a future date there is occasion to further extend the bill it can be done.

I doubt the wisdom of Congress passing a bill extending it for 1 year and then providing that the President can extend it for 2 years. It means that we are extending legislative power to the President for at least 2 years' time. This Congress is taking away from the Congress which will be elected next fall power to pass on the matter. I do not believe we should do that; but I see nothing dangerous in the enactment of this bill.

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

Mr. McGUGIN. I yield.

Mr. SNELL. I find myself pretty nearly in agreement with the gentleman from Kansas. It seems to me that if there is an emergency the emergency would be entirely covered if we extended the time definitely for 1 year.

Then let the next Congress take up the matter. Some Congress will be here a year from now, and let that Congress meet the situation as it exists at that time.

Mr. McGUGIN. I may say to the gentleman that I think the fair thing would be to extend it for 2 years, just the same as the bill was originally enacted under our administration.

Mr. BUSBY. Will the gentleman yield?

Mr. McGUGIN. I yield to the gentleman from Mississippi.

Mr. BUSBY. This has never been enacted for 2 years. It has been enacted for 1 year only.

Mr. McGUGIN. In that event I should rather enact it for 1 year and strike out the provisions extending the period of time.

[Here the gavel fell.]

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas may proceed for 5 additional minutes.

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

There was no objection.

Mr. DIES. Will the gentleman yield?

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

Mr. DIES. Does the gentleman believe that the Government should be compelled to pay interest on these direct obligations during the time they are held as security for the Federal notes issued on them? That is the question I should like the gentleman to answer definitely.

Mr. McGUGIN. Viewing it from one standpoint I do not, but if we do not do it we shall have to change the complete principle of issuing currency in this country, not only since the Federal Reserve but before the Federal Reserve.

Mr. DIES. No.

Mr. McGUGIN. Yes.

Mr. DIES. These are direct obligations of the Government and not strengthened with collateral or with gold, but just the direct obligation of the Government on which the Government pays interest that you are going to permit to be taken to the Federal Reserve System, have the currency issued on them, and the holder not only gets the currency but also gets interest.

Mr. McGUGIN. May I ask the gentleman this: Suppose there is a bank in your town that has $50,000 in Government bonds, would the gentleman rather have that bank keep the $50,000 in bonds in its vault or send the $50,000 in bonds down here to Washington and obtain some currency, then take the currency back to the bank and lend it to the people of his community who need credit?

Mr. DIES. I am perfectly willing for the bank to get the currency, but the bank should not want interest on these bonds while it has the benefit and the use of the currency.

Mr. McGUGIN. The thing about this legislation is that 2 years ago when it was being enacted the inflationists in this House were pointing to it as a great achievement and in addition the inflationists in this House in the closing days of the Seventy-second Congress forced the Borah amendment to the home loan bill. The Borah amendment is in principle similar to this bill.

Mr. PATMAN. Will the gentleman yield?

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

Mr. PATMAN. I wish the gentleman would name the inflationists in this House who favored this bill claiming it would cause inflation of the currency.

Mr. McGUGIN. If I had the roll call on the Borah amendment, I should say the gentleman himself perhaps voted for it.

Mr. PATMAN. I am not talking about the Borah amendment. I am talking about this bill. The gentleman charged that the inflationists supported this bill 2 years ago claiming it would inflate the currency.

Mr. McGUGIN. This bill in the first instance was passed by practically the unanimous vote of this House, and if I had the roll call I could probably show that the gentleman himself voted for it.

Mr. PATMAN. I did not.

Mr. McGUGIN. Perhaps the gentleman did not. Most of the gentleman who advocated inflation voted for the bill.

Mr. STEAGALL. Will the gentleman yield?

Mr. McGUGIN. I yield to the gentleman from Alabama.

Mr. STEAGALL. The gentleman is entirely correct when he says that this bill was supported by the so-called "inflationists" in this House. The measure was offered and advocated by Dr. Fisher. It was originally introduced in the House by Mr. GOLDSBOROUGH, whose position is well known to everyone, and the gentleman from Texas, with 14 others in the House, voted against the bill. So the statement of the gentleman from Kansas is borne out by the facts.

Mr. McGUGIN. I cannot yield further, because I desire to make this statement. If the principle of permitting banks to issue currency on Government bonds is wrong, then my answer is that a mistake has been made for many, many years, and we cannot correct by assaulting this one particular bill which is up for consideration today. If we were considering a bill which was providing for a new currency and credit system as a substitute for our present system it might well be worthy of support. Those who are opposing this bill, if they succeed, will wreck our present money and credit system, while they are providing no substitute. Whatever may be said of our system, it is better than no system. At this particular moment it is not within our power to provide a new system. It is only within our power today to defeat this bill and thereby destroy the only credit system which is available for financing Government obligations. We hear it said that only the banks are benefited by this bill and the people receive no benefits. Let us see about that. The Government is spending money by the billions of dollars. Most of it is being used for direct relief and as credit for individuals and business institutions. The Government then in turn borrows the money to meet these expenses. This bill is the only way that the Government can finance these obligations which are being created to meet expenses incident to our various relief measures.

Mr. PATMAN. Will the gentleman yield?

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

Mr. PATMAN. If the gentleman considers Ogden Mills an inflationist, the gentleman's statement is correct. I was before the committee when he appeared there 2 years ago and asked for the passage of this legislation and a year ago when he asked that it be extended, and he certainly did not argue that it was inflationary.

Mr. McGUGIN. A former distinguished Member of this House, Mr. Ramseyer, of Iowa, who advocated inflation, was one of the principal supporters of this bill, and it was Mr. Ramseyer who forced three roll calls in this House on the Borah amendment to the home loan bill, which is practically the same as this bill.

Mr. ELLENBOGEN. Will the gentleman yield?

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

Mr. ELLENBOGEN. In reference to the example that the gentleman cited about the small bank having $50,000 of Government bonds and getting currency for it, may I ask the gentleman this question: Suppose the bank would take that currency and buy some more Government bonds, and so forth, and would make 4 percent or about 4 percent on the money which it received.

Mr. McGUGIN. I may say to the gentleman that if he and others like him in this Congress do not meet their responsibility in providing enough revenue to meet the appropriations they so cheerfully make, that is exactly what is going to happen.

Mr. ELLENBOGEN. We are anxious to meet our responsibility.

The pro forma amendment was withdrawn.

Mr. SNELL. Mr. Speaker, I move to strike out the last three words.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry. Are we allowing this by unanimous consent?

Mr. SNELL. The gentleman does not have to allow me anything by unanimous consent.

Mr. BLANTON. Mr. Speaker, I make the point of order that this is an amendment in the third degree. There is already one amendment pending to strike out the last word. There are also two other amendments, which would make the gentleman's amendment an amendment in the third degree. It would be in order were the McGugin amendment withdrawn.

The SPEAKER. By unanimous consent, the McGugin amendment has been withdrawn.

Mr. SNELL. Mr. Speaker, I move to strike out the last two words.

Mr. BLANTON. That motion is in order now, since the McGugin amendment has been withdrawn.

Mr. SNELL. I moved to strike out three words before, and both motions were correct.

Mr. Speaker, it seems to me that in the consideration of this legislation we should really confine ourselves to the matter in this bill before the House. As I understand the Brown substitute, it would give the President the right to extend the existing legislation for a period of 1 year.

I am perfectly willing to accept the statement of the administration that there is an emergency, although personally I think we are overworking that word at the present time, but I am willing to accept it in connection with this legislation. If we do extend this right to the Federal Reserve Board for a period of 1 year, we certainly will meet the emergency situation that is rising at this time. There will certainly be some House in session in another year; and if this emergency exists at that time they can pass on it on its merits.

To me we are making a serious mistake by continually making these emergency measures almost permanent policies of Government, and I am opposed to that part of this bill. I think we are doing all we should be asked to do at this time if we recognize the present existing emergency and extend the period for 1 year. This will meet the objections of practically everyone, it seems to me, who is opposed to this bill at the present time, and I think it would be fair and proper and right to adopt such an amendment.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. FITZPATRICK. If we accept that amendment, it means the measure must go back to the Senate and wait for action by that body.

Mr. SNELL. I am perfectly satisfied in my own mind that that is not going to materially change the situation. The Senate will be in session on Monday, and certainly no banking business is going to be transacted on the afternoon of Saturday.

Mr. BYRNS. Mr. Speaker, I rise in opposition to the pro forma amendment.

I am rather glad that we meet here today under little different circumstances from those of yesterday. I am sure, in the discussion of this bill and our action upon it, we are going to maintain an even temper.

Some criticism was made of the Committee on Banking and Currency because it did not report this bill at an earlier date. I do not think this criticism is entirely just or warranted, especially when we take into consideration the fact that when this bill was reported they did not ask for a rule to put it over but asked unanimous consent, and not a single Member on either side of the Chamber objected to its being taken up for consideration yesterday afternoon. Certainly, this estops any criticism that may be leveled against the committee for any delay in reporting the bill. One objection upon yesterday would have prevented its consideration.

Under these circumstances I think we are all in a position to consider this bill upon its merits and to consider the amendments upon their merits. There are some $570,000,000 of reserve notes, as I am informed, which are backed by these securities at the present time. If this bill does not pass, if we do not continue this authority to the Federal Reserve Board, we are going to have this amount of reserve notes outstanding, with nothing behind them as security except 40 percent of gold certificates and bonds for which authority no longer exists.

Mr. PATMAN. Will the gentleman yield?

Mr. BYRNS. In just a moment. I want to finish this statement first.

As the gentleman from Kansas [Mr. McGugin] said a moment ago, these bonds draw interest now, and whatever action you may take with reference to this bill, they will continue to draw interest out of the Treasury; and, for my part, I would rather see these bonds, upon which the Government is paying interest, used for the purpose of providing additional money and currency in this country than to be sent here and the banks deprived of this privilege.

So I say, whether you like this or not, in a sense it is an inflationary measure to a certain extent.

Now, here is the situation in which we find ourselves. The authority lapses today, and I am speaking now upon the authority of officers of the Treasury Department when I say that in order to prevent confusion, it is important that this bill be passed.

Now, what does the amendment of the gentleman from Kentucky [Mr. Brown] carry?

The bill provides for an extension of 1 year, and then it gives the President of the United States authority to continue it for either 1 or 2 years, as his judgment dictates. The Brown amendment merely leaves this extension of 1 year to the President. You know and I know, with the Secretary of the Treasury and the Federal Reserve Board asking for this extension of 1 year by legislation, undoubtedly the President, acting upon their advice, as I think we ought to act, will extend it for 1 year. Why pass it to the President when we know he will extend it for 1 year? Congress meets in January, and if it is desired at that time to withdraw the discretionary power given to the President, Congress will have the authority to withdraw it before the President can exercise such discretion next March.

So it seems to me it is a tempest in a teapot that we have raised here in the consideration of this bill.

The Senate is not in session today, and, as I have said, the authority lapses today. Suppose you adopt an amendment to this bill. It will have to go back to the Senate, and it may be several days before the matter can be ironed out and the bill become a law, as it must do, in the judgment of the Secretary of the Treasury and the entire Federal Reserve Board.

I hope that we will pass this bill today as the Senate passed it.

Mr. BLANTON. Mr. Speaker, I want to ask the gentleman one question, not to be taken out of his time. The gentleman was not quite correct when he said that the next Congress could stop it. It could stop it if it had two thirds of the votes. Suppose next February the new Congress wanted to wind it up and pass a bill to that effect, the President could veto it and it would take two thirds of the House and two thirds of the Senate to pass it over the veto.

Mr. BYRNS. Of course the gentleman from Texas is correct, but I know that there is no one who is more willing to trust the President of the United States to act with proper discretion than my good friend from Texas.

Mr. BLANTON. I am, and if the President says "pass this bill", I am going to vote for it. But if it were not demanded by the President, I would vote for the Brown amendment.

Mr. BYRNS. I am going to say to my friend—I am not speaking for the President—that the administration, as represented by the Secretary of the Treasury, as I have been personally told, would like to see the bill passed.

Mr. BLANTON. I do not take orders from the Secretary of the Treasury, but just now I do take them from our Commander in Chief, the President of the United States. Since the White House has requested that this bill be passed today, just as it is, I am going to vote for it. [Applause.]

Mr. BYRNS. I hope the House will look at this matter in the same way. Gentleman on the other side of the aisle, it seems to me, ought to feel precluded from any objection to the bill—and I say it in the utmost good faith—because the bill has passed the House twice at the instance of a Republican administration and a Republican Congress.

It is true that in February 1932 a Democratic House acted upon the recommendation and request of the administration and passed this bill. And it was passed, as the gentleman from Alabama has said, with only 15 votes against it. There was practically no opposition to this measure on the floor of the House at that time.

Now, if you are in favor of increasing the currency, it does seem to me, gentlemen, that you are not entirely consistent in voting down this authority to the President of the United States. I feel sure that the President is going to act in accordance with the advice of the Secretary of the Treasury and the Federal Reserve Board. [Applause.]

The SPEAKER. Without objection, the pro forma amendment is withdrawn.

There was no objection.

Mr. BUSBY. Mr. Speaker, I move to strike out the last two words. Mr. Speaker and Members of the House, I desire to discuss the merits of the proposition that we are now considering. I was a little bit surprised to notice in yesterday's afternoon paper these headlines:

Bank holdings of United States bonds soar. Reserve report figures much higher than war-time peak.

A total of $6,195,000,000.

There is a reason why banks are holding more Government bonds today than they ever did before. The report shows that the excess reserves—that is, the money banks have and will not lend to business, but hold to buy United States bonds with—of the member banks amount to $1,100,000,000, which is more idle money than they have ever had in the history of this country. The excess reserves is money of the banks which they are waiting to use with which to buy Government bonds.

I heard the chairman, Mr. Steagall, say yesterday—and it is in the Record—that not more than $150,000,000 of eligible paper was being used for Federal Reserve loans by the member banks at the present time. When this bill passed 2 years ago there were $4,000,000,000 of eligible paper in this country—that is, the amount of short-term loans made by the banks to business, which paper could be used to borrow on from the Reserve banks.

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

Mr. BUSBY. In a moment I shall yield. What happened 2 years ago when this bill passed, giving the banks the privilege of borrowing from the Federal Reserve banks on Government bonds instead of on loans to business, as the law had always required? I hope you will get this.

ONLY LOANS TO BUSINESS COULD BE USED

Before this bill first passed the only way that any bank could get Federal Reserve notes was to take eligible paper—evidence of loans made to business—to the Federal Reserve banks and on it get a loan from the Federal Reserve which was made in Federal Reserve notes. Is not that true, I ask the Chairman of the Committee on Banking and Currency?

Mr. STEAGALL. Oh, absolutely.

FUNDAMENTAL PURPOSE OF THE FEDERAL RESERVE SYSTEM WAS CHANGED BY THIS LAW

Mr. BUSBY. That has ceased to be. The banks have quit making loans to business, because they can now invest their funds in Government bonds, and should they need currency they do not have to have on hand "eligible paper" but they can take those Government bonds to the Federal Reserve and draw currency on them. Business has been left out of the picture, as everyone knows. They do not have anything more to do with business, and this law enacted 2 years ago, renewed for a year in 1933, and now being made practically permanent by being passed for a 3-year period——

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. Yes.

Mr. O'MALLEY. And the banks then take that money and buy more Government obligations, and make a vicious circle out of this whole proposition.

Mr. BUSBY. Of course that could happen.

WHEN BUSINESS IS ABANDONED AND DIES, WHO WILL PAY THE TAXES TO PAY THE BONDS AND INTEREST?

What has happened to business in the last few years? The banking interests of the country have abandoned it. They are now opening up bids for the sale of Government bonds, and each issue is being oversubscribed five or six times, while there is not any help for business in this country.

PURPOSES OF FEDERAL RESERVE SYSTEM DIVERTED

We have totally diverted the purpose of the Federal Reserve System, and this bill now before us is one piece of experimental legislation that we have tried that has almost ruined the business situation in this country, and in truth and in fact, it ought to be defeated outright today. [Applause.] We may sell United States bonds by the use of this legislation, but we will kill business by it and make it hard for the people to pay those bonds and a billion dollars annual interest.

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

Mr. BUSBY. In a moment. I say it ought to be defeated outright, because 2 years' experience with it has shown us that we can no longer expect as business men to get accommodations at the banks as long as the Government has bonds to sell. I yield to the gentleman from New York.

Mr. SISSON. I have great respect for the ability of the gentleman from Mississippi and his information on currency, but the gentleman is a member of the Committee on Banking and Currency, and did the gentleman express any objection to this bill when it was before our committee?

Mr. BUSBY. I did not.

Mr. SISSON. Or reserve the right to fight it on the floor?

Mr. BUSBY. I did not. I never had time to consider this, as is the case with most of these bills that are brought in by the chairman of our committee, just like the rest of the House never has time to look into them when they are brought here as rush orders. We could deliberate, we could reason if they would give us a chance to consider, discuss, and deliberate and act intelligently, as I feel we ought to do.

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

Mr. McFADDEN. Mr. Speaker, I rise in opposition to the pro forma amendment for the purpose of attempting to clarify to this House the main purpose of this bill. Most of the discussion upon the bill so far has been upon the issuance of Federal Reserve notes. Let me try to clarify in your minds this one point: That that is not the main question in the bill. The main question in this bill is the use of Government credit by the Federal Reserve System to make a market for Government bonds through the member banks. The actual practice of the banks that will use money or credit from the Federal Reserve banks will be as follows: A member bank that wants money or credit from the Federal Reserve banks takes, say, its million dollars' worth of United States bonds to the nearest Federal Reserve bank. It then has the privilege of taking the amount in Federal Reserve notes, but as a matter of fact 99 percent of them take it in a book credit on the books of the Federal Reserve bank, which book credit is a checking account. I cannot in the short time allowed me distinguish thoroughly to you gentlemen the difference between a book credit in the Federal Reserve and the issuance of Federal Reserve notes. There is a very great difference. When the member bank chooses to take its advance in Federal notes it is a closed proposition. The Federal Reserve have the member bank's bonds and the member bank has the Federal Reserve notes. When the credit is established on the books of the Federal Reserve bank to the credit of the member bank it is subject to an expansion of 10 to 20 times or more—a very different situation. The use to which this authority is being put is for the purpose of using the Government's credit, which is loaned to the Federal Reserve bank, as a basis for the banks to purchase Government bonds. It can multiply many, many times. It is a hopper into which these Government bonds go in the use of Uncle Sam's credit to further inflate Federal Reserve bank credit and carry on the Treasury operations in the sale of Government bonds to the banks and investors of the country. It is part of that plan which was used in 1928 and 1929 when the Federal Reserve Board gave to the New York stock market in 1928, $60,000,000,000, and in 1929, $58,000,000,000. It is a method of the use of the Government's credit which is extended to the Federal Reserve System, upon which the Federal Reserve banks have never paid one penny, although it was provided in the law that they should. That is the serious question in regard to this kind of legislation.

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

Mr. McFADDEN. Yes.

Mr. McCLINTIC. When a bank puts up bonds with the Federal Reserve, who clips the interest coupons?

Mr. McFADDEN. The interest coupons might possibly be clipped by the Federal Reserve bank, but the coupons would belong to the member bank.

Mr. McCLINTIC. If the member bank gets the money and also has a right to draw the interest on the bonds, then it has a distinct advantage, because it can collect interest on the money that is derived from the bonds.

Mr. McFADDEN. The Federal Reserve always exacts interest from its member banks. It gets the Government credit free, and the law provides that when this credit is released to the Federal Reserve banks the Federal Reserve banks should pay for it.

I have repeatedly called the attention of this House to the fact that that particular phase of the law has been deliberately violated from the time the act was passed up to the present time.

Mr. FORD. Will the gentleman yield?

Mr. McFADDEN. I am sorry, but I do not have time.

Now, as far as this act is concerned, there is no emergency. There is not any immediate emergency here. No harm can come if this bill is not passed today. It should be understood before it is passed, because the transactions that they have carried on will not suffer. It will simply mean that for 2 or 3 days they may not have authority to grant further credits. The gentleman from Mississippi [Mr. BUSBY] has just told you that the Federal Reserve banks are overflowing with credit. They are. They cannot use it. The need for this bill is for the further extension of the Government's credit to the banks, to permit those banks to buy Government bonds, because the credit of the Government is at stake.

The situation has completely changed since this law was originally enacted. At that time the Treasury, owing to the demands for gold from abroad, wanted to use some of the gold that was held by the Federal Reserve agents as part security for Federal Reserve note issues. They were then seeking the right to withdraw this gold from the Federal Reserve agents and substitute Government bonds therefor, whereas now all the gold is supposed to have been removed from the Federal Reserve banks and impounded in the United States Treasury, and the situation that then existed, on this account, does not now exist. The Treasury now asks that this authority be continued for the sole purpose of increasing the use of the Government's credit by the Federal Reserve banks to enable the Treasury to sell Government bonds through a pyramiding process of Government credit through the agency of the Federal Reserve, a system so complicated that the average American cannot possibly understand the operation without expert assistance.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. McFADDEN] has expired.

Without objection, the pro forma amendments will be withdrawn.

There was no objection.

Mr. KELLER. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, in 1864 the National Bank Act was passed by the United States Congress. It became the law and it has been the law from that time until the present time. That national bank law permitted associations to form what we call "national banks", to buy Government bonds, deposit them with the Treasury, and receive currency back for the bonds. They were permitted, of course, to loan that money and to receive interest on it. They were permitted to collect interest on the bonds which they had deposited. That was done in 1864 and that has been continued from that day until this. It is not new, and whether it be just or unjust is not a matter for consideration at the present time, as I look at the matter.

One year ago tomorrow Franklin D. Roosevelt became President of the United States; and out in front, on the main steps of this Capitol, he delivered such an appeal in his inaugural address as has seldom been heard by the American people. In that he pointed out the tremendously difficult condition that the American people were facing at that time, economically. This Congress met at the same time, and we took our oaths of office, and then we proceeded to enter into support of Franklin D. Roosevelt to take us out of the depression. That is a great service that he undertook, and that is a great service that we have been rendering in standing by him in whatever he has asked, looking toward that greatly desired object. I am perfectly frank to say to this body that in theory I am entirely in accord with what the gentleman from Mississippi [Mr. BUSBY] and the gentleman from Texas [Mr. PATMAN] both have said, and at the right time and under the right conditions I shall be glad to help rewrite entirely the banking law of this country, because I believe it ought to be rewritten; but this is not the time to undertake that great work. This is the time to stay put. This is the time to admit that we are progressing and to refuse to do anything that will hinder that progress. This is the time to get something of an idea of what we have accomplished during the past year. You gentlemen on the Republican side have generally stood with Roosevelt, with the people of this country. I hope you will do it today in this matter.

Mr. HOEPPEL. Will the gentleman yield?

Mr. KELLER. I will not, because I do not have time.

I appeal to my Democratic friends, because it has been thrown at us a great many times lately by our friends on the other side, and I do not blame them for it. They are seeking political advantage. If we permit them to get it, that becomes our fault and not theirs. What I am trying to get over to my Democratic friends is this: My individual opinion, as I said before, is in hearty accord with the opinion of the two gentlemen who have spoken so clearly on this question of currency and credits, and I repeat that when the time comes I will be glad to join with the Members of this House in rewriting the entire banking law, so as to give the people of this country every right which they deserve and ultimately must have, but I do not see the possibility at the present time of denying a specific thing which the President's Cabinet member has asked for, without endangering the progress that we are unquestionably making at the present moment. [Applause.] That is what I am trying to do. I am not trying to put forward my individual opinion. [Applause.]

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

Mr. GRAY. Mr. Speaker, there is no time like the present time. The future is not ours. I am here in this term of Congress, and I feel assured that I will be here in 3 months. I may not be here in 12 months. The probabilities are that I will not be here in 12 months, nor be here in 2 or 3 years, when this matter will come up again as it has come up at the different times in the past to continue the control of the manipulating bankers and financiers over the money and credits of the country. To make plain what I am trying to impress here is the uncertainty of life and politics. I come from a 28,000 majority Republican district, with 1 Democratic county and 8 Republican counties, and I read, from the rumblings and rumors coming in, that Hon. James E. Watson will oppose me for reelection. Mr. Watson is a good man and a great campaigner. I have some little qualifications in that line myself, but I cannot assure you that I will come back against Watson. I can only assure you that if Watson is a candidate, the campaign will be a spirited one and there will be hell on the Wabash. [Applause and laughter.]

As much as I admire and respect the ex-Senator, it was not my intention to describe Mr. Watson or to designate him as a "good man." That was an inadvertence. What I wanted to say, and I think I should say, would be that Mr. Watson was an able, forceful, and resourceful man. To say that the ex-Senator was a "good man" would leave the misleading inference that he was a Democrat, or follower of Jefferson, which would not only be resented by the ex-Senator himself but would call forth a storm of protests from the rank and file of the Democrats and leave me in disfavor with both sides. [Laughter.]

I am not allowing myself to be misled or thrown off my guard nor to mistake a landslide for individual personal popularity. I know that voters, leaving their party to cross the line and vote for opposing candidates do not leave to vote for candidates. They leave to vote against candidates, and to chastise their party for dereliction of duty. And after they have voted against their candidates and inflicted proper punishment to their party leaders commensurate with their sins of omission and commission, they lose the spirit of animosity and revenge and go back and pursue the even tenor of their ways.

For these reasons as well as others I will vote for the Patman amendment to continue this power of the bankers to control our money and credits for only 3 months. I am reasonably assured that I will be here for 3 months. This will give me ample time to investigate the emergency and pass final judgment upon the pressing need of this bill today, and of the necessity of a surrender for a further time of the constitutional power of Congress to issue money and regulate the value thereof. And because I may not be here during the next or succeeding Congresses to interpose against a further surrender of this vital power over money to the manipulating bankers and financiers, now pressing this concession before the House, I shall vote against the bill unless limited by the Patman amendment.

Mr. Speaker, I know something of the bankers and financiers asking this concession here today, to allow them to use the people's money and credit. I know something of their history. I know something of their antecedents. I know something of their ways, of their shrewdness and cunning.

I know something of the secret bankers' meeting held May 18, 1920, in Washington, D.C., under the very shadow of this Capitol, behind closed doors and curtains. I know something of the secret resolution passed ordering the Federal Reserve Board to contract and withdraw from circulation the money and credits of the country. I know how they silently folded their tent and secretly moved away, and for 2 years 8 months and 4 days covered and concealed their secret resolution as the assassin conceals his crime. I know these men concealed this meeting and the resolution they passed until the Manufacturers Record, of Baltimore, Md., on the 22d day of February, 1923, published a report of the secret proceedings, when the world for the first time looked in upon the secret conclave of conspiring bankers.

And I know that during these 2 years 8 months and 4 days, while the bankers were concealing their crime from the unsuspecting people of the country, they started the misleading propaganda of mystery and led their puppets, catspaws, stool-pigeons, and parrots to repeat after them in blind, vacant stare, "This panic is all a mystery."

Mr. Speaker, these men, in the background here today, and always in the background, are the same manipulating financiers and bankers, or are their successors in office and place of power of the men who held the secret bankers' meeting; who concealed their crime for 2 years 8 months and 4 days; who started the propaganda of mystery; and who have refused the assent for the President to use Federal Reserve notes, denied the right of the people to use their own money and credit in their struggle to extricate themselves from the panic brought upon them. These same men are here today holding this same bill over Congress, demanding that the Government continue to issue and guarantee money and turn it over to them free or for the trivial cost of printing and paper so that they can loan it back to the Government at 3 or 4 percent, and to the people at 5, 6, or 7 percent.

They are demanding their stranglehold upon industry, commerce, and trade to continue for another 3 years; and with this demand upon Congress they are holding out the veiled threat that unless their demands are complied with, they will withdraw their loans and the bond market will be forced down to a ruinously low level, destroying public credit and forcing a relapse of the panic, if there has been such revival as to make a relapse possible.

Mr. Speaker, this panic is not a mystery; this panic is a conspiracy. This panic is a deep, dark criminal plot. [Applause.] No pirates ever boarded a merchant ship to scuttle and sink the vessel, no highway robbers ever rode masked, no bandit, burglars ever blew a safe with more deliberate, criminal intent than the bankers who held the secret meeting and are, in the background here today, asking this concession from Congress—the right to use the credit of the Government, by and through which to rob the people of their earnings, substance, and income. [Applause.]

But, Mr. Speaker, this money which they are threatening to withdraw is not their money, but under the Constitution is the people's money which the Government has issued and guaranteed by pledge of public credit and turned over to them for the trivial cost of printing and paper to be loaned back to the Government and the people and upon which to collect vast sums of interest. But their demand includes more than that we continue to furnish them money to loan back to us at interest. Their demand includes the power over money, the power to control the volume of money, the power to contract money and lower prices when they are ready and want to buy, the power to expand money and raise prices when they are ready and want to sell, the power to bring prosperity or to make a panic at will.

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

Mr. GRAY. I yield.

Mr. STEAGALL. I remind the gentleman that the officials who participated in the conference of 1920 to which he refers are all dead.

[Here the gavel fell.]

Mr. MARTIN of Oregon. Mr. Speaker, I ask unanimous consent that the time of the distinguished gentleman from Indiana be extended 5 minutes.

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

There was no objection.

Mr. GRAY. I thank the gentleman from Oregon for this consideration affording me time for answering the gentleman from Alabama [Mr. STEAGALL].

This assurance by my colleague that the gentlemen to whom I have referred are pleading an alibi without a death certificate supports the allegation. As individuals, they may be dead, which, of course, I would regret, but the system lives on to menace the welfare of 120,000,000 people.

I am more interested in the demise of the Federal Reserve System than I am in any of the individuals engaged and participating in the criminal operations which I have tried to describe. And there is another difference to be observed and to which I would call the gentleman's attention. An individual may die, his body perish and disintegrate, while the soul lives on. But a corporation has no soul and its corporate body survives in perpetuity.

I am not begrudging these individuals, with perverted or calloused conscience, a further lease on life, especially if they will recant and atone for their crimes against the people. I prefer to see them spared until they can reduce their bond-bloated and distended bodies to such dimensions as will enable them to pass through the eye of the needle, a figure of speech for the golden gate.

What I am more interested in here is to see the soulless corporate body of the Federal Reserve System die and be interred by this Congress, or be allowed to die a natural death instead of prolonging its existence and continuing its powers from time to time under this or that pretext or the pressure of some great emergency, foreboding dire calamity to the people unless further concessions and powers are granted to them.

I want to see more individuals with souls and conscience in control of the money and credits of the people and less of soulless corporations exercising the constitutional power of Congress over the supply and distribution of currency.

I hope these individuals now strategically reported dead by the chairman of the committee were spared to live long enough to recant and atone for their crime against the people and make peace with their God.

Mr. Speaker, I realize that the committee reporting this bill is acting properly, loyally, and patriotically in the discharge of its duty to this House. I realize that if I were a member of this committee, I would feel constrained to present the bill for the consideration of the House. The responsibility for this bill is on the Members of the House and is not properly chargeable to the committee reporting it out upon the floor. I have full and absolute confidence in the honesty, integrity, and loyalty of the chairman and every member of this committee. In the meantime, I want it understood that I make no retraction of my charge against the international bankers and financiers who held the secret meeting in Washington and passed the secret resolution. My regret is that language fails me and words are inadequate to censure and condemn the men who deliberately brought this panic upon the country and all the woe, want, and destitution resulting, all to increase the value of their bonds and war-debt claims, and for sordid profit and financial gains.

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

Mr. GRAY. If I were to yield to anyone in the world, it would be to the gentleman from California; but I want to make a few further observations in regard to this bill, and the wisdom and necessity of printing and guaranteeing the money and turning it over to the manipulating bankers to loan back to the Government at interest.

For the benefit of the gentleman from Alabama [Mr. STEAGALL], I wish to read from the bill passed on May 12, 1933. I call attention to part 8, Public Law No. 10, Seventy-third Congress, section 43, clause (b), to show the helpless subserviency and dependency of this Congress and the President under the relentless autocratic power of the international bankers and financiers and their Federal Reserve System, as follows:

> (b) If the Secretary, when directed by the President, is unable to secure the assent of the several Federal Reserve banks to the agreements authorized in this section—

For the use of Federal Reserve money—

then the President is authorized to direct the Secretary of the Treasury to cause to be issued in such amount or amounts as he may from time to time order United States notes as provided by existing law.

And here follows other provisions of the act providing for the revaluation of gold or the remonetization of silver to be resorted to concurrently or in the alternate. [Applause.]

Mr. Speaker, think of the humiliating spectacle of the President of the United States and the great American Congress, the Senate and the House of Representatives, speaking for and acting for 120,000,000 free people, all crawling upon their bellies before the throne of the golden calf and the money kings of today, biting the dust at their feet, imploring, supplicating, and entreating the money-mad misers and shylocks to allow, to permit, to "assent", to use their own money and credits. But, Mr. Speaker, were our prayers answered, were our supplications and entreaties met, did the President of the United States obtain the "assent" of these bankers to use and control our own money which the Government had printed and turned over to them at the nominal cost of printing and paper to be used by them in exploiting the people and exacting from the people untold millions in interest charges?

No, Mr. Speaker; I am sorry to say that Congress and the President were turned down, and, failing to obtain the "assent" of the international bankers and financiers to use the people's own money in the recovery program, and to whom we had prayed and supplicated for the right to use and control our own money, and the President on failure to obtain the assent under the powers conferred upon him and under the authority delegated by Congress, declared for the revalution of gold, and failing to obtain the assent to take the corpus of the gold, seized upon and took the gold under the right of eminent domain.

And the President, further failing to obtain the assent of the several Federal Reserve banks and the Federal Reserve Board to finance the recovery program under the powers conferred upon him by the act, declared for and resorted to the revaluation-of-gold plan, from which and under which to make available for use a sufficient volume and supply of money to restore the depleted monetary supply and the relative value of money and commodities as well.

I had not previously favored the revaluation of gold as a first and preliminary step; but realizing that all must join under one theory, I submerged and gave up my own personal preference and joined in the President's program with a will and determination to cooperate with him to the limit.

I did this willingly, freely, and cheerfully, because upon full consideration and determination I was convinced that any one of the several measures provided—whether a resort to Federal Reserve notes, or a remonetization of silver, or the revaluation of gold, or the issuance of United States currency notes—would all lead substantially to the same result—the restoration of the volume and supply of money which had been withdrawn from circulation by the conspiring, manipulating bankers.

But, Mr. Speaker, we are no longer dependent upon these financiers for money. Under the gold-revaluation program we have provided for more money, more than we need or can use. It must be realized and understood that the practical effect of the revaluation of gold is the same as if new gold mines were discovered and the gold supply increased and doubled, doubling the gold reserve as a basis for money. This money is free from the scarecrow, immune from the hue and cry, of "inflation", "fiat money", and "printing-press money." This is money based upon gold, redeemable in that great precious metal, not in single gold dollars but in gold bars. And here the President of the United States is to be congratulated as a strategist in forestalling and meeting the propaganda of fiat and printing-press money at the threshold which would have otherwise succeeded, had the other forms of money been resorted to. And in addition to this redemption in gold, this money is guaranteed by the credit of the Government, the guaranty that makes bonds as good as gold, and by all the property of the people, and by all the wealth of all the people, and by all the earnings and income of the people, and all the natural resources of the country.

But this is not only the best money in the world. The gold base expanded by revaluation provides for an ample and copious supply of currency more than we need or can use and more than is necessary or required to raise values to the 1926 price level and restore prosperity to the country.

What we need here today is not to perpetuate this criminal folly and farce by extending this stranglehold upon the money of the country, but to stop giving up our money to bankers to loan back to us at interest and maintain control over our money and credits not only to pay our own public debts and save interest, but to loan out directly to the people at reasonable rates and take the interest ourselves.

Mr. Speaker, I helped to make the Federal Reserve money system, and under a good-faith administration it could be the most perfect and complete instrumentality for the control of the volume and supply of money and to stabilize values and the price level which has ever been devised by men as a part of the agencies of government. But by reason of its concentration of power in one central body to effect control, it becomes at once a threatening danger, a monster, menacing evil in the hands or subject to the influence of selfish, greedy interests. And by reason of this concentration of power is a greater danger and menace, even greater than the old national-bank money system.

The Federal Reserve money system may be compared with or to a new efficient, effective weapon prepared by men for their own defense, which, falling into the hands of the enemy, can be turned and used against them with deadly, destructive effect, and by which they can be overcome and conquered by means and instrumentalities devised by themselves.

The Federal Reserve System was created following the money panic of 1907 and for the one sole and only purpose of recovering back to Congress and the President, as the sworn and chosen representatives of the people, the constitutional power to regulate money and the value thereof, and the power to control the volume and distribution of money and credit in circulation at all times responsive to the needs and requirements of the people.

The System was provided especially and particularly to take the control of money and credit away from the manipulating financiers and bankers, who had monopolized and cornered the money supply in 1907 in a mad orgy of speculation and brought a panic upon the country. This was when you can remember the bankers told us that they had our money but could not give it to us.

These men had compelled under duress the little country banks to send their deposits of nickels and dimes, the savings of their people, to the New York bankers to be held as a condition upon which the country and small bankers could obtain crop-moving money and to meet their patron's requirements from time to time. It was the intention of the law to protect the small bankers from the imposition of these Wall Street money racketeers and afford them to obtain money for their local use without a surrender of their deposits.

Under this new system the little banks, as a matter of right and without crawling upon their bellies before the money kings and surrendering their saving deposits, could send up eligible paper, notes, and other prime obligations to pay money and obtain the necessary funds with which to meet the business requirements of their respective communities.

On returning here after an absence of 16 years I find these changes in the Federal Reserve law: I find the law enacted to put the bankers out and to put the people in so modified by pressing emergency legislation that the people are put out and the bankers are put back in. The mother of this law would not recognize her own child and the father of the Federal Reserve System, Woodrow Wilson, would spurn it as a spurious offspring. This boasted servant of the people has become a money octopus, resisting the power and defying the Government itself. And today this system not only controls values and the price level here in our own country, but dictates values and the price level in every country of Europe and has become the arbitrator of the economic world.

The system was to be a public institution, the Government was to share in the incidental profits and earnings, and instead of supplicating for the assent of the Federal Reserve Board, was to be the master, commanding and directing the Federal Reserve Board as the servants of the public and to compel its operations to serve the public welfare and in the interests of all the people.

But since the enactment of the law and the creation of the Federal Reserve System the law has been modified, changed, and amended by piecemeal from time to time, until today its whole character as a public agency has been changed and perverted. The Government has been put out of the corporation. It no longer holds a share of stock or participates in the earnings and is left in a praying attitude before a money octopus, begging for the assent of the Federal Reserve Board, only to be turned down and denied the use of the money, the control of which the Constitution vests exclusively in the Congress.

It was following one of these apparent trivial amendments, the amendment of April 13, 1920, amending section 14 of the Federal Reserve Act, that the secret bankers' meeting was held. This was the section which under the law was to wrest the control of money from the manipulating bankers and international financiers and recover that power back to Congress and the President. The amendment passed Congress without notice, debate, or a record vote, but proved to be the dagger or stiletto by which the Federal Reserve System was brought to its death as a public agency to serve the interests and welfare of the people.

Under this new money system—with its boasted flexible provisions for contraction and expansion of currency and credits to meet the needs of the people in every locality of the country, and above all was to insure and safeguard against the recurrence of economic depression and make panics impossible—the greatest and most destructive of all panics has come upon the people, bringing want, suffering, and distress to an industrious, frugal, and resourceful people in a land of plenty and great abundance, and transforming a Canaan into an economic wilderness and a desert of despair. [Applause.]

Mr. GOLDSBOROUGH. Mr. Speaker, sometimes it is unwise to explain the purpose of a measure, but, in my opinion, it is necessary to go into detail about the necessity for this legislation at this time. The administration has gone a long way in its effort to drive the money changers from the temple. The people of the United States are not yet ready, in the judgment of the administration, for a managed currency; they are not yet ready for the issuance of money without some sort of a reserve. The public is in the habit of having the Government issue its bonds when it needs money for public purposes.

Unless this bill is passed the market for Government bonds will drop immediately.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield for a question?

Mr. GOLDSBOROUGH. With great pleasure.

Mr. O'MALLEY. Does it not seem to the gentleman that if this is such a great emergency somebody somewhere has been guilty of gross negligence of duty in waiting until the last minute to bring the bill into the House? I do not know who has delayed this measuse, or for what purpose there was delay, but in the handling of the affairs of this Government no one has a right to neglect the people's business until the last possible minute.

Mr. GOLDSBOROUGH. My own opinion is, my own judgment is, that the administration felt there would be no opposition to the extension of time asked for in the bill.

Mr. O'MALLEY. Does the gentleman mean to say that the Treasury Department is so confident that anything it brings to this House at the eleventh hour will go across without any opposition, and that is the reason the bill came in here last night?

Mr. GOLDSBOROUGH. I may say that this legislation has been on the statute books for 2 years, and I presume the Treasury felt that the membership was quite well acquainted with the situation. I really have no reason to suppose that there was any sinister purpose in bringing this up in the way it was brought up.

Mr. O'MALLEY. But does not the gentleman think that somebody has neglected his duty? He knew for 1 year that this authority was going to expire on a certain day.

Mr. GOLDSBOROUGH. I do not know that it would help the situation any to criticize the Secretary of the Treasury. I may say that I have no doubt that in general there is a feeling down at the other end of the Avenue that Congress will go along with the program.

Mr. O'MALLEY. Go along with the President.

Mr. GOLDSBOROUGH. And they have reason to feel that way.

Mr. O'MALLEY. I will go along with the President. The Brown amendment gives the President entire authority in the matter; in fact more authority than is now in the bill. Adopt the Brown amendment and I may vote for this bill.

Mr. GOLDSBOROUGH. I want to make a statement that I did not make yesterday, and that is you cannot sustain the bond market unless this extension of time is given. Unless the Government can market its bonds, under our present set-up we cannot carry on the extensive public works now in the process of being worked out.

Mr. SHOEMAKER. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Minnesota.

Mr. SHOEMAKER. I do not know why we want to suspend these things. Why do we not issue the bonds, make them interest free, and put the credit of the Government up instead of letting the bankers make a rake-off on us every time we turn around?

Mr. GOLDSBOROUGH. I should like to do that.

Mr. SHOEMAKER. Let us do it then.

Mr. GOLDSBOROUGH. I have not the power to do it, and in my judgment the President does not believe he has the power.

Mr. SHOEMAKER. Let us give him the authority to do it instead of tying ourselves up in this way. It is up to us as Congress.

Mr. GOLDSBOROUGH. I will give you my own view of the situation.

[Here the gavel fell.]

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

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

There was no objection.

Mr. GOLDSBOROUGH. May I call attention to the tremendous advance we have made in less than a year. The administration has aroused public consciousness to the iniquities of child labor; it has aroused public consciousness to the fact that if we put buying power into the hands of the workers of this country it will make all society prosperous.

Mr. SHOEMAKER. Will the gentleman yield further?

Mr. GOLDSBOROUGH. I will in a minute, because I admire the gentleman.

The administration has taught the country that there is no magic about this metallic standard. It has devalued gold; it has supported a measure which will make the deposits of the poor man in the small banks of this country as safe as in the Chase National Bank of New York. All of these things have been done.

In my judgment, the administration does not feel that it would have sufficient public sentiment back of it to justify the issuance of what has been called fiat money. It is necessary to borrow money from the banks, and therefore it is necessary to sustain the selling price of these bonds. This is the reason, and, in my judgment, the sole reason why the administration is behind this extension. I have been just as frank as I can be. To my certain knowledge this bill is not asked for to help the bankers. That is not the purpose.

I now yield to the gentleman from Minnesota.

Mr. SHOEMAKER. I am in perfect accord with the gentleman on many of the things he has stated, but so far as the child-labor proposition is concerned, may I call the gentleman's attention to the fact that there are many States that have not ratified it, and may I say further that public opinion is what did away with child labor? They found out it was better that children be taken out of industry and let the fathers work, or they would have to feed the old folks at home. The automatic machine came in and did a lot of work and caused unemployment until public sentiment brought it about. We have issued bonds after bonds that are absolutely never going to be paid by this Government or any other government. If this is the basis the gentleman is going on, if we are going to get everything we can, all right. I am perfectly willing to help the gentleman spend $500,000,000,000 and we will all have a good time and then not pay the bonds, which is what is going to happen in the end anyway.

Mr. AYERS of Montana. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Montana.

Mr. AYERS of Montana. This law was first passed for 1 year, and at the expiration of that year for another year. It comes up now and they ask for 3 years. What is the objection of the committee to the Brown amendment?

Mr. GOLDSBOROUGH. There is none, so far as I am concerned. I think the President feels that this trouble will be over in a year, so that the whole thing will be done away with; but if it is not, he wants the power to carry it on. That is my understanding.

Mr. AYERS of Montana. Why not adopt the Brown amendment? The Brown amendment covers 1 year.

Mr. DINGELL. Will the gentleman yield?

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

Mr. DINGELL. Is not this measure an inflationary measure which will grant the Federal Reserve banks the privilege to further inflate the currency, something that the United States Government up to this time has not dared do? Is it not true this would inflate the currency and grant a power to the Federal Reserve banks which the United States Government up to this time has refused to grant?

Mr. GOLDSBOROUGH. I could answer the question in the way the gentleman suggests. I want to be perfectly frank. This bill is to preserve on a 40-percent basis the gold-note reserve of the Federal Reserve banks, so that they will not have to go above 40 percent. This allows them to issue more Federal Reserve notes.

Mr. DINGELL. Will these notes be used for a further extension of credit, or will there be a further shrinkage?

Mr. GOLDSBOROUGH. I think they will be used to extend credit to the Government.

Mr. O'MALLEY. Will the gentleman yield?

[Here the gavel fell.]

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland may have 5 additional minutes.

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

There was no objection.

Mr. O'MALLEY. When we gave the authority to the Federal Reserve Board to put up this collateral and get this money last year, we were told at that time by the distinguished chairman of the committee, when this particular legislation was brought up, that its effect would be to ease credit and the banks would make more commercial loans and money would be easier to obtain for business and borrowers. This authority has been exercised for a year, and the actual facts shown by economic surveys are that the total of commercial loans and discounts in this country in 1933 was very much lower than in 1932. So the only thing the Federal Reserve banks can be doing with the money they are getting under this authority of law is to take the money and buy more Government bonds, because they are certainly not putting it out in commercial credit as every merchant knows.

Mr. GOLDSBOROUGH. The money is being loaned to the Federal Government at the present time.

Mr. Speaker, there is one thing I want to call to your attention. There has been a great deal of criticism, and in my judgment very uncalled-for criticism, of the Chairman of the Committee on Banking and Currency. I happen to know, personally, of the tremendous pressure that is continually brought upon the Chairman of the Banking and Currency Committee by the great banking interests. I happen to have personal knowledge of the fact that insofar as his power lies he has stood between the people and the great banking interests, without a single exception. [Applause.]

I want to say that his achievement in getting a deposit insurance bill passed was one of the greatest consummated efforts ever made in the history of mankind against great power. [Applause.]

I want to voice, in concrete form, at this time my tribute to him, just as I did in several speeches I made last summer, when I said this:

The pioneer turns his back upon the feast and renounces the place of power; he leaves it to others to accumulate wealth, to gratify pleasant tastes, to bask themselves in the warm sunshine of the brief day. He works for those he never saw and never can see; for a fame, or maybe for a scant justice, that can only come long after the clods have rattled upon his coffin lid. He toils in the advance, where it is cold, and there is little cheer from men, and the stones are sharp and the brambles thick. Amid the scoffs of the present and the sneers that stab like knives he builds for the future; he cuts the trail that a progressive humanity may hereafter broaden into a high road. Into higher, grander spheres desire mounts and beckons, and a star that rises in the east leads him on. [Applause.]

The pro forma amendment was withdrawn.

Mr. SUMNERS of Texas. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I do not often ask for the time of the House and I would not do it today if I did not feel we face a great crisis. It is a pity when we come to discuss legislative matters that we cannot sit around a table and concede that the other fellow is just as honest as we are and just as patriotic as we are in trying to do his duty. These Members who are opposing this bill are as conscientious as we are. When a fellow gets it into his head that he is about the only honest man and the only smart man and the only patriotic man, he is the biggest fool in the country. [Laughter and applause.] We may have differences of opinion about how to do it. It would be impossible if you had a business matter to consider to get this number of persons together without having differences of opinion. If it were a business problem we were trying to deal with and the other fellow sitting across the table did not agree with you, you would not want to throw a book at him or an inkwell. You would listen to what he had to say, and if you had taken a position which, under the circumstances and after discussing the thing among yourselves, you saw was not a sound position, you would not hesitate a minute to go the other way. This is the reason for a conference. This is the reason for a meeting of this sort, and it is what we are doing today.

I agree with what lies very deeply in this situation. I do not think these leaders have taken us ordinary fellows into their confidence as much as they should. We could have added a whole lot to the wisdom of the guidance of the Democratic Party, and I guess the same thing is true with those on the other side. But these leaders have been pretty busy, and they are not as smart as we are anyway, and are bound to make mistakes that we would not make. [Laughter.]

After all, it is not what the Secretary of the Treasury did or did not do, or what the leaders did or did not do, but it is what you and I are going to do in a very few minutes.

This is the big job ahead of us. Now, what are we going to do about it?

Those of you who have paid any attention to my attitude toward these economic questions know that I have insisted all the time that if we could revive the buying power of the farmers, and possibly, under necessity, reduce the dollar, we would not have to have all these alphabets under which we are working. But I may have been wrong about it. You know, when I disagree with somebody I know one of two things—somebody is wrong, and I may be that person. But here is what we have done—and by the way, I hope I can get by with this, Judge BECK, this time. I have tried a lot of times to do it, and I never have been able to do it.

We are operating under a thing that is pretty close akin to war psychology. We have not changed our Government, but for the moment, sensing the existence of a great crisis, we have concentrated power in the Executive. This urge came from the country, and we have done it. We have gone a long way down that road. We have gone about five or six billion dollars down that road, and now the question is, Are we going along that road or are we going to turn around? Why, half of these things, or two thirds of these things I have been voting for I do not believe in, but I recognize that in this crisis no human being knows whether we are going to reach the shore or not. We know we are far from shore, and we know we are all in the same boat, and we know it is going to take the united resources and the pulling together of the American people to give us a chance.

[Here the gavel fell.]

(The time having expired, Mr. SUMNERS of Texas was given 5 minutes more.)

Mr. SUMNERS of Texas. This is what confronts you, this is a great crisis.

Mr. HOEPPEL. Will the gentleman yield?

Mr. SUMNERS of Texas. Please let me complete this thought and then I will yield. What are we going to do? In this situation I am very fond of Mr. BUSBY; I have a deep affection for the gentleman from Texas, Mr. PATMAN, and this young fellow BROWN—if he stays here a few years, and his people ought to keep him—he will have a lot of sense. He has a good deal now. [Laughter.] He has got the making of a real legislator, and these other boys are all right. [Laughter.]

Now, what is the situation? This recovery thing depends on having the country continue to believe that the legislative branch of the Government and the President are standing close together, and the minute you destroy that you destroy the confidence and the hope of the American people.

Now, do not underestimate that. You cannot put these things on the table and consider them as in normal times. If you defeat this measure our country would say that the Chief Executive and Congress are not standing together. Under the existing situation the President is not only Commander in Chief of the military forces, but he is a Commander in Chief of the economic resources of this great Republic. [Applause.]

I mean that that is the situation. We have to deal with the facts. We are not dealing with theories. I tell you, boys, you should hesitate a long time before you send out word that the President of the United States has lost the confidence of Congress.

Mr. HOEPPEL. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes; I will yield.

Mr. HOEPPEL. The gentleman says that we are all in the same boat.

Mr. SUMNERS of Texas. All but the gentleman from California—everybody else is. [Laughter and applause.]

Mr. HOEPPEL. Will the gentleman yield further?

Mr. SUMNERS of Texas. No; I cannot yield further. Let us see what the situation is. The gentleman stated that notes are not being tendered for rediscount in large volume. It is a fact that they are not in volume. Why? Everybody knows why. Because the economic conditions of the country are such you cannot tender notes in volume that will make good collateral. We have to have Government bonds eligible in order to get a broad enough basis, so we are told.

Now, do not fail to listen to this: The administration has to float about $10,000,000,000 of bonds; and if it should fall down on the floating of one of those issues, what is going to happen? Can you contemplate the economic consequences that would follow?

Mr. HOEPPEL. Will the gentleman yield? I can tell the gentleman what would happen.

Mr. SUMNERS of Texas. No; I cannot yield further. The human mind shrinks from contemplating what would be the result if we failed to float these bonds. We might be in the situation of France, where they are paying 5 percent to induce the French people to take their bonds. We have already reached a situation where it takes about a billion dollars to take care of the interest on the national debt.

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

Mr. SUMNERS of Texas. Yes.

Mr. BUSBY. Has the gentleman made any calculation as to what point we will have to stop issuing bonds at the rate of a billion dollars a month?

Mr. SUMNERS of Texas. I do not like to think about it, but this is true, we cannot back up now. There is a limit to our bond-issuing and bond-selling ability, and the chance of our bond-selling resources holding out until we reach shore is better with the Congress and the President standing together and a country enheartened and solidified by that teamwork.

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

Mr. LUCE. Mr. Speaker, I move to strike out the last two words. A stranger might look upon this as a lively rendition of Much Ado About Nothing, but those of us acquainted with the conditions at the moment realize that there are two grave questions here concerned. Neither of them relates to the merits of the main proposition, which will undoubtedly prevail. They affect, respectively, the Republican and Democratic sides of the House. First, a word to my Republican friends. This is a measure to continue the life of a bill recommended by President Hoover, renewed while he was still President, and now, by force of circumstances, turned from its original purpose to meet the emergency presented by the necessity of servicing the public debt.

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

Mr. LUCE. When I have finished my statement.

Mr. HOEPPEL. But I should like to ask the gentleman a question right now.

The SPEAKER. The gentleman declines to yield.

Mr. LUCE. Lest the diversion introduced by the gentleman who accosted me may have broken the thread of my remarks, I may repeat that this is now a measure for servicing the public debt, an exigency which many of us fear will not to be concluded through our lifetimes, an exigency that is certain to last for years, so that whether you restrict the life of this act to 1 year or 3 years is absolutely immaterial. It will be reenacted next year if we confine it to 1 year, and my associates on the Republican side of the House will accomplish only one thing by voting to restrict it to 1 year, and that will be to preclude themselves from saying next October that they have supported the President in every matter of mechanics. There is no principle involved in this issue. It is simply one of detail, one of mechanics, and if gentlemen think it is wise to preclude themselves from the chance of saying that they have supported the administration in all matters of mechanics, that is their own responsibility. For my part I would rather point to the fact that this is a program recommended by the Federal Reserve Board, recommended by the Governor of that Board, who came before us and asked for it, and unanimously supported by the committee.

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

Mr. LUCE. I will not.

Mr. HOEPPEL. I should like to ask the gentleman a question.

Mr. LUCE. And now a word to my Democratic friends. In England this question would be called one of a vote of lack of confidence. In England and all the other countries of the world where the system of ministerial responsibility prevails there come from time to time votes on unimportant matters, on proposals where gentlemen of the majority who have come to differ from the ministry seek a vote of lack of confidence. Here is an absolutely immaterial thing, because we all know that if the amendment restricting the grant of power to one year prevails the President will come back a year from now, and then a year after that, and then a third year, through some indefinite time, and the power will be extended. So we shall have the problem repeatedly before us, because it is the problem of financing the greatest debt that this country ever saw, and pray God it may be the greatest debt it ever will see. If gentlemen desire to show their insurgency, if they want to revolt, if they want to rebuke the administration, then they will vote for these amendments.

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

Mr. STEAGALL. Mr. Speaker, I move the previous question on the bill and the amendments to final passage.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman withhold that for a moment until the gentleman from West Virginia can be heard?

Mr. STEAGALL. I withdraw the motion. I do not want to shut off debate.

Mr. EDMISTON. Mr. Speaker, I move to strike out the last two words. I do not like to impose upon the House in this matter, but to my mind this is the most serious piece of legislation that I have been called to vote on since I became a Member of Congress. I do not pretend to be a banker. I never was until necessity closed every bank in my own home county and we had to have a new bank. I know the condition in my own county, and that is the only banking business that I know—the old system did not work—and I know that the new bank which we have organized is not anything more than a medium of changing and storing money for that community. It is not worth a nickel for the home, the industries, or the farmers of that community. I have the statement of that bank which I received in the morning's mail as of the 28th day of February. That small bank has total resources of $1,735,000. Of that amount they have $1,025,000 in Government bonds and on deposit Federal Reserve. They have loans of 24 percent of their resources are in Government bonds or on deposit in the Federal Reserve. They have loans of 25 percent of their total resources, and the bank examiner who comes periodically tells us to collect those loans and put them into Government bonds. How are you going to help a community get back on its feet if you follow that system? As I understand this bill, that is what it does. I am not for blocking the President. I will put this aside if the President tells me it is better to have that money and let my community do without it, but it seems to me that the Brown amendment would put the proposition up to President Roosevelt and give him time to put his " brain trust " and his own brain to work and try to work out something that would modify this and help both the Government and our own home communities and struggling banks.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the bill and pending amendments.

The previous question was ordered.

The SPEAKER. The question is on the substitute amendment offered by the gentleman from Kentucky [Mr. BROWN] to the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were ayes 80 and noes 123.

So the substitute amendment was rejected.

The SPEAKER. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken, and the amendment was rejected.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill 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.

Mr. PARKER and Mr. O'MALLEY demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 312, nays 38, not voting 82, as follows:

[Roll No. 98]

YEAS—312

Adair	Dies	Jones	Polk
Allen	Dirksen	Kahn	Powers
Allgood	Disney	Kee	Ramsay
Andrew, Mass.	Ditter	Keller	Ramspeck
Andrews, N.Y.	Dobbins	Kelly, Ill.	Randolph
Arnold	Dockweiler	Kelly, Pa.	Rankin
Ayers, Mont.	Dondero	Kennedy, Md.	Rayburn
Ayres, Kans.	Doughton	Kenney	Reece
Bacon	Douglass	Kerr	Reilly
Bailey	Doxey	Kleberg	Rich
Bakewell	Driver	Kloeb	Richards
Bankhead	Duffey	Kniffin	Richardson
Beck	Duncan, Mo.	Knutson	Robertson
Beedy	Durgan, Ind.	Kocialkowski	Robinson
Biermann	Eagle	Kopplemann	Rogers, Mass.
Black	Edmiston	Kramer	Rogers, Okla.
Bland	Eicher	Kurtz	Ruffin
Blanton	Ellenbogen	Lambeth	Sabath
Bloom	Ellzey, Miss.	Lamneck	Sanders
Boehne	Eltse, Calif.	Lanham	Sandlin
Boileau	Englebright	Larrabee	Schaefer
Brennan	Evans	Lee, Mo.	Schuetz
Brooks	Fernandez	Lehlbach	Schulte
Brown, Ga.	Fiesinger	Lehr	Scrugham
Brown, Ky.	Fish	Lewis, Colo.	Sears
Brown, Mich.	Fitzgibbons	Lewis, Md.	Secrest
Browning	Fitzpatrick	Lozier	Seger
Brumm	Fletcher	Luce	Shallenberger
Buchanan	Focht	Ludlow	Sirovich
Buck	Ford	McCarthy	Sisson
Buckbee	Frear	McClintic	Smith, Va.
Bulwinkle	Fuller	McCormack	Smith, W.Va.
Burch	Fulmer	McDuffie	Snell
Burke, Nebr.	Gambrill	McFarlane	Snyder
Burnham	Gasque	McGrath	Spence
Busby	Gifford	McGugin	Steagall
Byrns	Gillespie	McKeown	Strong, Tex.
Cady	Gillette	McMillan	Stubbs
Caldwell	Glover	McReynolds	Sumners, Tex.
Cannon, Mo.	Goldsborough	McSwain	Swank
Carden, Ky.	Goodwin	Maloney, Conn.	Tarver
Carmichael	Goss	Maloney, La.	Taylor, S.C.
Carpenter, Kans.	Green	Mansfield	Taylor, Tenn.
Carter, Calif.	Greenway	Mapes	Terrell, Tex.
Carter, Wyo.	Greenwood	Marland	Terry, Ark.
Cartwright	Gregory	Marshall	Thom
Cary	Griswold	Martin, Colo.	Thomas
Castellow	Guyer	Martin, Mass.	Thomason
Chase	Hamilton	Martin, Oreg.	Thompson, Ill.
Church	Hancock, N.Y.	May	Thompson, Tex.
Claiborne	Harlan	Mead	Traeger
Clarke, N.Y.	Hart	Meeks	Turner
Cochran, Mo.	Harter	Merritt	Turpin
Cochran, Pa.	Hartley	Miller	Umstead
Coffin	Hastings	Mitchell	Utterback
Colden	Healey	Monaghan, Mont.	Vinson, Ga.
Collins, Calif.	Henney	Montet	Vinson, Ky.
Collins, Miss.	Hess	Moran	Wadsworth
Colmer	Higgins	Morehead	Walter
Condon	Hildebrandt	Mott	Warren
Connery	Hill, Ala.	Moynihan, Ill.	Wearin
Cooper, Ohio	Hill, Samuel B.	Muldowney	Weaver
Cooper, Tenn.	Hoidale	Musselwhite	Welch
Cox	Hollister	Nesbit	Werner
Cravens	Holmes	O'Brien	West, Ohio
Crosby	Hope	O'Connell	West, Tex.
Cross, Tex.	Howard	Oliver, Ala.	Whitley
Crosser, Ohio	Huddleston	Owen	Whittington
Crowe	Hughes	Palmisano	Wigglesworth
Crump	Imhoff	Parker	Wilcox
Culkin	Jacobsen	Parks	Willford
Cummings	James	Parsons	Wolcott
Darrow	Jeffers	Patman	Wolfenden
Dear	Jenckes, Ind.	Perkins	Wolverton
Dean	Jenkins, Ohio	Peterson	Wood, Ga.
De Priest	Johnson, Okla.	Pettengill	Wood, Mo.
DeRouen	Johnson, Tex.	Pierce	Woodrum
Dickinson	Johnson, W.Va.	Plumley	The Speaker

NAYS—38

Arens	Gray	Murdock	Tinkham
Blanchard	Hill, Knute	O'Malley	Tobey
Bolton	Hoeppel	Peavey	Wallgren
Burke, Calif.	Johnson, Minn.	Reed, N.Y.	Weideman
Christianson	Kvale	Shoemaker	White
Dingell	Lambertson	Sinclair	Withrow
Dowell	Lemke	Smith, Wash.	Woodruff
Dunn	Lloyd	Swick	Zioncheck
Foss	Lundeen	Taber	
Gilchrist	McFadden	Thurston	

NOT VOTING—82

Abernethy	Corning	Kinzer	Sadowski
Adams	Crowther	Lanzetta	Shannon
Auf der Heide	Cullen	Lea, Calif.	Simpson
Bacharach	Darden	Lesinski	Somers, N.Y.
Beam	Delaney	Lindsay	Stalker
Beiter	Dickstein	McLean	Stokes
Berlin	Doutrich	McLeod	Strong, Pa.
Boland	Drewry	Millard	Studley
Boylan	Eaton	Milligan	Sullivan
Britten	Edmonds	Montague	Sutphin
Brunner	Faddis	Norton	Sweeney
Cannon, Wis.	Farley	O'Connor	Taylor, Colo.
Carley, N.Y.	Flannagan	Oliver, N.Y.	Treadway
Carpenter, Nebr.	Foulkes	Peyser	Truax
Cavicchia	Frey	Pou	Underwood
Celler	Gavagan	Prall	Waldron
Chapman	Granfield	Ransley	Williams
Chavez	Griffin	Reid, Ill.	Wilson
Clark, N.C.	Haines	Rogers, N.H.	Young
Cole	Hancock, N.C.	Romjue	
Connolly	Kennedy, N.Y.	Rudd	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. Rainey, and he answered "aye."

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Pou with Mr. Treadway.
Mr. Taylor of Colorado with Mr. Millard.
Mr. Montague with Mr. Edmonds.
Mr. Granfield with Mr. Ransley.
Mr. Underwood with Mr. Crowther.
Mr. Haines with Mr. Bacharach.
Mr. Hancock of North Carolina with Mr. Kinzer.
Mr. Flannagan with Mr. Simpson.
Mr. Boland with Mr. McLeod.
Mr. Cannon of Wisconsin with Mr. Britten.
Mr. Truax with Mr. Cavicchia.
Mr. Williams with Mr. Reid of Illinois.
Mr. Sweeney with Mr. Stokes.
Mr. Rogers of New Hampshire with Mr. Waldron.
Mr. Lea of California with Mr. McLean.
Mr. Wilson with Mr. Doutrich.
Mr. Shannon with Mr. Eaton.
Mr. Frey with Mr. Connolly.
Mr. Drewry with Mr. Stalker.
Mr. Farley with Mr. Strong of Pennsylvania.
Mr. Clark of North Carolina with Mr. Darden.

Mr. DOUGLASS. Mr. Speaker, my colleague, Mr. Granfield, is unavoidably absent. If present, he would vote "aye."

Mr. SECREST. Mr. Speaker, my colleague, Mr. Young, is absent. If present, he would vote "aye."

Mr. BYRNS. Mr. Speaker, the following Members are unavoidably absent. If present, they would vote "aye": Messrs. Boylan, O'Connor, Cullen, Corning, Rudd, Lindsay, Prall, Sullivan, Dickstein, Beiter, Gavagan, Young, Beam, Chavez, Brunner, Celler, Delaney, Griffin, Kennedy of New York, Lanzetta, Oliver of New York, Peyser, Somers of New York, Studley, Carley, and Chapman.

Mr. KENNEY. Mr. Speaker, my colleagues, Mrs. Norton and Messrs. Auf der Heide and Sutphin, are detained at home because of illness in their respective families. Were they here, they would vote "aye."

Mr. CLAIBORNE. Mr. Speaker, my colleague, Mr. Milligan, is unavoidably detained. Were he able to be present, he would vote "aye."

Mr. DARROW. Mr. Speaker, my colleagues, Messrs. Connolly, Strong, and Waldron, are unavoidably absent. If present, they would vote "aye."

The result of the vote was announced as above recorded.

On motion by Mr. Steagall, a motion to reconsider the vote by which the bill was passed was laid on the table. A similar House bill was laid on the table.

S. 2766—EXTENSION OF REMARKS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. Steagall]?

There was no objection.

Mr. PATMAN. Mr. Speaker, I have offered an amendment to Senate bill 2766, relating to collateral security for Federal Reserve banks which would permit the privilege to continue for 3 months only. The gentleman from Kentucky [Mr. Brown] offered a substitute to my amendment providing that the privilege may be extended for 1 year, within the discretion of the President.

In one of my speeches on yesterday in discussing this proposal I stated:

> If the President or the Secretary of the Treasury should suggest to me how this bill would aid the President's program, I would withdraw my objection to it. (Congressional Record, Mar. 2, 1934, p. 3680.)

The information as to how this bill will aid in the recovery program has been communicated to me; and in compliance with my suggestion I am glad to submerge my personal views, which involve the enactment of a temporary measure, and vote for the bill without insisting upon the amendment.

OPPOSED TO THE PRINCIPLE INVOLVED IN BILL

I am opposed to the principle of the Federal Reserve bank depositing Government bonds, receiving new money in return for them to the amount of the bonds, and at the same time the member banks use the money as a reserve for the issuing of 10 times the amount in credit; they also get interest from the Government on the deposited bonds. There is another way I can oppose this practice without attempting to block the passage of this bill. I expect to continue to oppose this practice. It amounts to a bonus to banks.

PRESIDENT'S PROGRAM

It is realized that our President cannot do everything in 1 year. He has made long steps in the direction of taking the power away from the Money Trust, and I am confident that he will do even more in this respect in a reasonable time. I do not overlook the fact that he is waging a war against high interest rates, which will help the home and farm owners as well as everyone who is in debt. He is using the credit of the Nation to help home and farm owners. Thousands of homes have been saved in this manner.

This has never been done before. Heretofore only the bankers were permitted to use the Government credit. They are the only group now that can use it without charge, and I predict they will not always have this great privilege. People are not starving this winter as they were the two preceding winters. Employment and purchasing power are on the increase. The poor folks, including farmers, laborers, wage earners, and low-salaried people have a friend in the President, who is determined to give them substantial aid, assistance, and improve their opportunities for the future.

The big bankers, and especially the international bankers, were bitterly opposed to the abandonment of the gold standard. He hit them squarely between the eyes by going off gold. They contended that the profits on the gold by reason of devaluation, amounting to about $3,000,000,000, should go to the Federal Reserve banks, and, of course, eventually for the benefit of the member banks, but the President captured these profits for the benefit of the people. This is a sufficient amount of gold to authorize the issuance of more than 7½ billion dollars upon a 40-percent gold base, and the people, not a few bankers, will get the benefit of this money.

May 7, 1933, President Roosevelt made a radio speech in which he stated:

> Let me make the facts very simple and my policy very clear. In the first place, Government credit and Government currency are really one and the same thing.

It is my belief that Government bonds and Government currency are secured in the same manner and by the same security—the credit of the Nation. Gold is not being used at this time as a reserve for money. Thomas A. Edison said:

> If our Nation can issue a dollar bond, it can issue a dollar bill. The element that makes the bond good makes the bill good also.

Judging by what our President has said and done, we know that the day of an unholy alliance between the greedy money trust and the administration in power is over. It is the first time in many years that Wall Street agents do not have entry to the White House for the purpose of getting advance information that would enable them to invest wisely. They are now as much in the dark at all times as the people generally. They are not accustomed to this and do not like it.

FEDERAL RESERVE BANKS

The Federal Reserve Act became law December 23, 1913. It was intended to decentralize money and credit, furnish an elastic currency, and extend sufficient credit at all times to commerce, industry, and agriculture. These banks are authorized to issue money—Federal Reserve notes—which is a blanket mortgage on all the homes, other property, and all income of all the people. This is a great privilege; one that is not enjoyed by any other group. The Government does not own one penny of stock in these banks. It is all owned by private banks. The paid-in stock only amounts to $160,000,000, an insignificant sum, considering that these institutions often do an annual business amounting to more than a hundred billion dollars. They really operate on Government credit. Section 16 of the act provides that they shall pay an interest charge for this credit. A regulation by the Federal Reserve Board relieved them of that duty. Therefore they use the credit of the Nation free. The law contemplated that all excess profits of these banks should go into the Treasury. Large salaries, big buildings, heavy expenses, and a few perfecting amendments, so called, relieved them of that duty.

PERFECTING AMENDMENTS

It was never contemplated that a Federal Reserve bank should be permitted to issue the Government's money except in aid of commerce, industry, and agriculture. A so-called "perfecting amendment" to the act approved June 21, 1917, on the theory that the World War justified the departure allows gold and gold certificates to be used as a basis for the issuance of new money. This amendment remains the law. Another so-called "perfecting amendment" permitted the substitution of collateral February 27, 1932, by reason of the great emergency. Another so-called "perfecting amendment" was adopted which allowed these banks to issue money on Government bonds. The bonds are purchased on Government credit by the Federal Reserve bank and then deposited with the Federal Reserve agent as collateral security for the issuance of new money. They use the money free of charge and also get interest on the bonds from the Government. In 1933 this great privilege was renewed for another year. Now S. 2766 proposes another extension of 1 year with the privilege of the President to extend it another 2 years. Having faith and confidence in the present administration and being assured that the present emergency makes it necessary for this extension to be granted, I am yielding with the hope that during the next year we can obtain the passage of legislation that will render the continuation of this great privilege unnecessary, as well as securing the passage of a law that will restore to Congress the power to issue money. Such privilege should not be farmed out to a few bankers. We know that whoever controls money and credit is absolute master of all commerce and industry.

MONEY FOR 1945 BONDS

This bill further extends and enlarges upon the privilege now held by certain bankers to obtain new money in return for a collateral security deposit of United States Government bonds. They use the money and also get interest on the bonds. Under present law, a bank can take a $1,000 bond, payable January 1, 1945, deposit it as collateral security, and receive $1,000 in new money. The bank will get the use of the money, which can be used as a reserve for the issuance of 10 times that amount in credit, which will become a deposit in the bank. Each year the bank will collect interest on the bond deposited, in addition to using the money and collecting interest from those who use the credit that is extended by using the money as a reserve.

GOVERNMENT TAKE OVER FEDERAL RESERVE

The Government should take over these banks, coordinate their activities with the Reconstruction Finance Corporation, and extend plenty of credit to commerce, industry, and agriculture.

The Federal Reserve System has proved itself to be a fair-weather friend of the people. When times are good, a rising market, steady employment, ample credit facilities are at the command of the people through this System. But when there is a declining market, unemployment, reduced valuations, and reduced earnings, the Federal Reserve System will not furnish the credit necessary to restore the country.

Mr. SMITH of Washington. Mr. Speaker, I will briefly state my reasons for casting my vote against the passage of this measure, which has been submitted precipitously, under very limited debate, and with very little time allowed for its discussion and consideration. I feel compelled to join with the small group of Members who are voting "nay" on this roll call as a protest against the continuation of a monetary policy which we are convinced is vicious and wrong, in the confident belief that the time is coming, sooner probably than most of us expect, when our vote here today will be approved and vindicated by the majority of our countrymen and a future Congress will legislate accordingly.

Mr. Speaker, this bill is intended to continue in effect the provisions of the Borah-Steagall and Glass-Steagall amendments to the original Federal Reserve Bank Act, which was thereby changed and modified to permit the Federal Reserve banks to substitute bonds for eligible commercial paper, and subsequently gold, which was recently impounded in the Treasury. In other words, the Federal Reserve Banking System, which was originally designed to provide sufficient credit to finance the legitimate transactions and demands of industry, business, and agriculture, has been emasculated, its primary purpose lost sight of, and it has become an instrumentality for the manipulation of the credit and money of the Nation for the benefit of the few of the big bankers in New York who control by ownership the stock in the Federal Reserve banks.

Consequently the primary and paramount purpose of the Federal Reserve Act to issue notes against the collateral of business and property loans to business firms, industries, and farmers was changed to encourage the issuance of Federal Reserve notes against United States bonds and gold. As a result, the Federal Reserve banks have almost entirely ceased making loans to private business, industry, and the farmers, and are making loans exclusively to a favored few who hoard and invest these funds in tax-exempt securities.

The situation which I have described is detrimental to a complete recovery of business, industry, and agriculture, and is caused principally by the monetary policy of our Government, which is vicious and wrong, of issuing tax-exempt Government bonds, drawing interest, for the benefit of the banks so that the banks can pledge these bonds with the Government in order that the Government can issue money to the banks. This policy has been carried on to such an extent that our annual interest charge on the outstanding bonds will soon approximate $1,000,000,000, and it is estimated that the interest on all the indebtedness, public and private, in the United States, amounts to $9,000,000,000 per year, and which cannot be paid. The Constitution of the United States provides that "Congress shall issue money and regulate the value thereof", but this function has surreptitiously been delegated to private interests, and brought about the distressing state of affairs from which all of us are suffering today. I therefore desire to be recorded in opposition to a continuation of this policy which should not be any part of the "new deal."

Mr. THOMPSON of Texas. Mr. Speaker, I have listened to the debate on this measure and I feel a particular sympathy for those who would amend it for various reasons. I have a suspicion that if the bill had been brought out in ample time to discuss it, rather than in the hurried last-minute rush that characterized its consideration on the floor, the differences between the various factions involved would have been easily adjusted.

I am moved to vote favorably, because I believe that the continuation of the act involved is an important factor in the President's recovery program. I understand that he wishes it to pass and I am glad to cast my vote to assist him in carrying out any program which he may undertake.

I feel that support is more important to the administration today than it has been at any time during the past year. Our national hysteria is passing, the desperate plight of the Nation has been considerably improved, and on all sides we hear murmurings of the selfish individuals—many of them politically opposed to the administration—who would seek to make capital of any weak spots that may develop. For the Democratic Party to split over an issue of this kind and thereby to drive what might be the first entering wedge in the administration would, I believe, be a serious mistake. I shall therefore support the bill.

Mr. DINGELL. Mr. Speaker, I rise at this time in opposition to H.R. 7963, a bill to extend the period during which direct obligations of the United States may be used as collateral security for Federal Reserve notes.

I cannot arrive at a compromise with my conscience on this all-important question, because I have always been of the impression that the monetary system and the regulation thereof should be vested in the hands of Congress solely, as the Constitution provides. I am opposed to the further extension of this usurpation of power and of privilege to the Federal Reserve System, composed of private corporations. The committee report makes clear my contention that this bill is primarily a bill of monetary inflation, and Mr. GOLDSBOROUGH, ranking member of the Banking and Currency Committee, admitted that that is its prime purpose. The report on the bill states that—

> In February 1932 Congress passed an act amending section 16 of the Federal Reserve Act providing that until March 3, 1933, the Federal Reserve Board might, upon an affirmative vote of not less than a majority of its members, authorize the Federal Reserve banks to offer and the Federal Reserve agents to accept Government bonds as security for Federal Reserve notes in the same manner as collateral theretofore eligible as such security.

Now I should like to ask why it is that the Government of the United States must fall back upon the Federal Reserve Bank System for an inflationary measure and why it is that the Government of the United States will permit the bankers to inflate the currency, when the Government itself has been reluctant up to the present time in increasing the monetary base. I call your attention, Mr. Speaker, to the fact that the bankers were permitted to inflate the currency during the extraordinary session to the full extent of the amount of certain Government bonds in their possession. At that time the distinguished Chairman of the Banking and Currency Committee told the Members of the House of Representatives that it was an essential part of the administration program and that it was necessary to relieve the credit situation of this Nation. We find at a closer examination that the bankers were permitted to print a tremendous amount of new currency, which was loaned out to industry in but small dribbles, sums of no consequence whatsoever, while the bulk of this money was again reinvested in Government securities. The example cited by the distinguished Member from West Virginia [Mr. EDMISTON] shows conclusively that even the reorganized banks over the country, after being reestablished on a new and substantial basis, are using the money for the purpose of acquiring additional Government securities and not for the purpose of relieving the credit situation. Distressed industry and our merchants have derived no benefit from the previous action, and now we are faced again with the same request which is brought before the House at the eleventh hour, and we are expected to swallow it irrespective of whether or not the measure is digested.

The members of the Federal Reserve System come before the Congress of the United States and ask that they be permitted to print additional currency secured by the bonds which they have purchased with money which was printed after being secured by bonds which they had previously purchased. This practice will continue so long as the Congress of the United States is willing to submit abjectly to the will of the bankers, and in this respect I am not willing to bow my neck and accept the yoke of Wall Street. I am for an orderly expansion of the currency and for as nearly as possible a direct benefit to the people, for direct assistance to distressed industry, to the merchant, and to the home owner. In this respect the banker has failed miserably. He has made every effort to make his own position secure by a marginal safety in what is called "liquidity." I cannot conceive why it is that this same element, and I refer to the bankers—and let me distinguish at this point between the honest, conscientious banker who attempts to serve his community and the international, or Wall Street, banker—can come before this Congress and ask for an inflation backed by Government bonds when it will stand opposed to any inflationary movement in which the people will have a direct equity.

Let me call your attention specifically to the bonds which are in the hands of the ex-service men, secured by the sacred promise of the United States Government to pay in adjusted compensation in the year 1945 to each and every holder thereof the full face amount due the holder. It is manifestly clear, and my statement is unimpeachable, that the adjusted-compensation certificates are just as much a bond and an obligation of the Federal Government as are the Liberty bonds and/or any of the emergency bonds which are being issued at the present time, and as a result that these bonds should be eligible, being deposited with the Treasurer of the United States, to form the basis for an orderly expansion of the currency in the selfsame way and through the selfsame process as that which is proposed by and for the benefit of the bankers connected with the Federal Reserve System. It is my contention that if the United States Government will permit the printing of currency secured by the adjusted-compensation certificates, this money will be placed in the hands of the common man, who is entitled to first consideration under the "new deal." The redemption of the adjusted-compensation certificates will distribute money into every State, every county, every city, and every village of the United States. In every Territory and detached possession—in fact, directly and indirectly—new money will be placed within the reach of every family in America. No stretch of imagination is necessary to portray the results of such action on the part of Congress. It will do more to relieve the present depressed state of the Nation than any other single thing thus far enacted or contemplated. The ex-service men will buy new cars, radios, will install telephones. They will proceed to pay off the grocer and the butcher and other merchants in their community who have extended credit in the past. It will bring money into circulation, and this money will eventually come into the hands of the bankers as deposits in one form or another, and in this respect the inflationary measure, under which the ex-service men will be the medium of distribution, will be of more benefit than any movement or measure under which and through which the banker and the banker only will be the beneficiary.

I cannot support this bill inasmuch as liberal amendments, such as the Brown amendment, have been crushed by an unjustified opposition. Evidently, it is intended that the stranglehold upon the people of this Nation should be made permanent and that the money changers shall reside within the temple in the future as he has in the past.

I am willing that the people of my district sit in judgment on my action in this instance and I make no apologies for the fact that I cannot compromise with Wall Street bankers when the best interests of the people are at stake. What I cannot get through my head, and not a single Member of this House has ever been able to explain to me, is why it is wrong to inflate the currency of the United States Government and expand the currency system in accordance with the needs of the people, when it is all right to do so for the specific benefit of the bankers. Moreover, I should like to know and I have never received an explanation of why it is that bankers will condemn the payment of the adjusted-compensation certificates with currency secured by depositing these certificates, when this same principle has been, in effect, applied for the benefit of the bankers heretofore and when this same method is again authorized by the provisions of this bill.

I am obliged to record my vote in opposition and in doing so I am consistent with my previous actions in voting for and supporting the guarantee deposit law and in demanding investigation of the bank situation in my State in similar progressive measures.

Mr. WEIDEMAN. Mr. Speaker, on March 3 this branch of Congress was asked to vote on H.R. 7963, a bill to extend the period during which direct obligations of the United States interest-bearing bonds may be used as collateral security for Federal Reserve notes.

This bill was submitted under a rule giving very limited debate and with very little time allowed for its intelligent and free discussion and consideration. On the surface this bill asked for an extension of time of a similar bill passed in February 1932. At that time this same bill was brought up under a rule of the most drastic sort, as the gentleman from Texas [Mr. BLANTON] said on February 15, 1932:

This most important measure is not before the House under the ordinary rules, which would permit it to be safeguarded by proper amendments. It is called up under a suspension of the rules and has to be passed just as it has been proposed by the committee, and not 1 of the 435 Members of this House can propose a single amendment to it. It cannot be amended in any particular. We have to vote for it just as it is, without the changing of a dotting of an "i" or the crossing of a "t."

He further said:

These Federal Reserve banks have squeezed, robbed, wrecked, and ruined many banks, merchants, and citizens all over the United States, and I condemn them for it.

Quoting further, he says:

The huge, unearned salaries they are paying their officials and employees are a stench in the nostrils of all Americans at this time, when millions of men are without jobs and women and little children are starving all over the United States. Just think that they are paying some of their officials annual salaries of $25,000, $30,000, $35,000, $40,000, and $50,000 a year, when people are starving, and the time has come when we ought to stop this abuse and require them to respond to us with proper information.

I want to bring to the attention of the Members of Congress and the taxpayers of America that the Federal Reserve banks have not mended their ways, and every penny that is collected as an interest payment by the Federal Reserve banks is exacted as a tribute, without any moral right so to do, from the workers, farmers, and laborers of this country, either directly or indirectly.

I want to bring to the attention of the House that on the consideration of this bill in the committee in 1932, General Dawes—whose last claim to fame was that he borrowed $90,000,000 for his own personal bank in Chicago—appeared in favor of the bill, as did Ogden Mills, the protector of the vested interests under Hoover; but all the testimony we get in the committee report as to what he—Dawes—said is the following—and I am quoting from the statement of our former Member of Congress, LaGuardia:

General Dawes thereupon addressed the committee, his remarks not being stenographically reported, at his own request.

LaGuardia further said:

It is indeed a sad commentary on the banking system of our country when it is admitted that $2,000,000,000 have been withdrawn from the banks and are being hoarded. This is a reflection and to the everlasting shame of the bankers and the system which they have created; and no criticism of the thousands and thousands of persons who have lost millions in bad banks and unsafe securities. I fail to see that even in this bill, with its unlimited latitude and tremendous powers, anything that will guarantee to us that the small business man, the manufacturer, or the merchant will get credit any easier than during the last 2 years. All that we hear is "help the banks; help the railroads"—loans of all sorts to both—and leaving to their tender mercies relief of any kind to the merchants, business men, and manufacturers. After all, the return of normal conditions depends on increased business with increased employment.

And from the working of the original act, passed in 1932, the result predicted by Mayor LaGuardia was a true forecast. On February 15, 1932, the Chairman of the Banking and Currency Committee said, on page 3964 of the RECORD, the following:

There is a certain delicacy involved in the discussion of credit and banking that forbids that reference to matters of that kind be published to the world, if we are to deal constructively with great and important affairs such as were before the Committee on Banking and Currency when the distinguished gentleman appeared before us.

And it is my personal opinion that if the citizens of this country were informed of all the conditions surrounding the issuance of currency, the floating of bonds, and the paying of interest and the total cost to the country each year, they would have long ago declared that the paying of interest as tribute should now be at an end. The gentleman from Alabama further said, specifically referring to section 3 of the act then before the House:

It makes possible expansion, not a wild inflation, but sufficient expansion to counteract the horrible deflationary policies and practices in which we find ourselves engulfed at this time in the United States. That is what we are trying to do. That is all there is in this provision respecting note issues by the Federal Reserve banks. It is not a wild scheme. It is to be kept under the control of the Federal Reserve Board. The provision is limited in operation to a period of 1 year. We could not inflate to any dangerous extent so long as the gold requirement is retained. I will say also, in this connection, that if the Federal Reserve Board is to be judged by its conduct in the past, nobody need fear that we are in for a wild period of inflation through the operation of this law, so long as it is under the control of the Federal Reserve Board of the United States.

But remember the Federal Reserve bank is a private bank. I am inclined to believe that when he said we would not have any wild inflation he was correct. And the facts follow that instead of inflating, the total amount of commercial loans and discounts in this country in 1933 was much lower than in 1932, so if the Federal Reserve banks received an issuance of Federal Reserve notes under this act, and industrial and commercial loans were lessened instead of increased, the Federal Reserve banks must have been using their money in the purchase of interest-bearing Government bonds. In the CONGRESSIONAL RECORD of March 3, 1934, in a discussion on this bill, in reply to a question as to whether these notes would be used for a further extension of credit or for a further shrinkage, Mr. GOLDSBOROUGH, the gentleman from Maryland, replied:

I think that they will be used to extend credit to the Government.

And, further—

The money is being loaned to the Federal Government at the present time.

And it was not loaned back to business and industry as intended.

I believe that the gentleman from Maryland correctly stated where this money issued under this bill was going; it was being loaned back to the Government. This same money issued by the Federal Reserve agent to the Federal Reserve bank at one thirtieth of 1-percent interest was being used to purchase more Government bonds bearing from 3- to 4-percent interest. In other words, the Federal Reserve banks were getting money from the Government at one thirtieth of 1-percent interest and were reloaning the same identical money to the Government and receiving Government bonds bearing interest of from 3 to 4 percent. The United States is paying the private bankers for the use of the Government's own money from $30 to $40 per thousand per year, while it costs the banks only 30 copper cents.

Under the new bonds to be issued by the Government the bankers have promised to do the people of the United States a favor and charge only 2⅞-percent interest.

While many Members of the House believe in this form of financing they will not get behind a bill such as the Frazier bill to loan money to the farmers to save their farms, at 1½ percent interest, and they will ratify the loaning to the Federal Reserve banks, which are private banking institutions, Government money at one thirtieth of 1-percent interest. Under the Frazier-Lemke bill the farmer pays 50 times as much as the banker.

If this bill embodies a sound policy, which is a comparative term, then the House and Senate should pass without hesitation the Weideman bill (H.R. 8286) authorizing the Reconstruction Finance Corporation to make loans direct to municipalities and other governmental subdivisions at an interest rate not to exceed 1½ percent, said loans to be secured by tax-anticipation warrants, short-term notes, deliquent-tax certificates, or other collateral as the R.F.C. board may deem adequate.

The passage of this bill would save many municipalities and other governmental subdivisions from bankruptcy, and would enable cities, townships, and so forth, to pay up their indebtedness and not default on their obligations, and would guarantee the payments of municipal and county bonds heretofore issued.

Take, for example, the city of Detroit, whose bonded indebtedness amounts to approximately $400,000,000. The city of Detroit has now balanced its budget and is living within its income, but it has an inherited deficit of $13,000,000 which it is carrying on its budget from year to year. In order to carry on the city's business it is necessary for the city to issue scrip bearing interest at the rate of 5 percent per annum. Each time the city has scrip printed there is a printing cost of about $35,000. Therefore, the yearly cost to the taxpayer to carry this scrip, which is used because the bankers claim they cannot loan the city the necessary money needed through short-term obligations, is $650,000 for interest and $35,000 for printing, a total of $685,000. If H.R. 8286 were made a law, the R.F.C. could loan money to the city of Detroit and other governmental subdivisions and cities at the rate of 1½ percent per annum. Under this bill, the cost to the city of Detroit would be $195,000 per year, a saving of $490,000 per year. If municipalities were loaned money at the same rate as the Federal Reserve banks are loaned money, the cost would only be $68,500 per year.

The point I want to make is this: The additional payment of interest is nothing but a bonus for the bankers, paid for by the taxpayers, for which they are rendered no service, and for which they receive nothing in return.

The exorbitant interest demanded by bankers is the reason for the high taxes now levied; it is the reason why, in the name of economy, the salaries of teachers, policemen, firemen, and city employees have been generally reduced. So the divisions of Government could live within their income, so they could continue to pay their tributes to the bankers.

It is about time for the citizens of the United States to again say: "Millions for defense, but not one cent for tribute."

If the illustration were carried further, again using the financial condition of the city of Detroit as an example. The interest charges on the bonded debt of the city of Detroit amounts to $19,000,000 a year on a bonded debt of approximately $400,000,000, a rate of about 4½ percent per annum. If the city's debt could be refinanced by the Government at 1½-percent interest per annum, the city of Detroit would save two thirds of the money it is paying out for interest, or $12,666,666.

It could wipe out its deficit in 1 year, and our municipal employees could be paid a decent salary again, increase their purchasing power, and help this country on the road to prosperity. If the Government can loan money to the private bankers, the Federal Reserve System, at one thirtieth of 1-percent interest, it could make money by loaning the cities money at 1½-percent interest.

There is one serious objection to my plan, and that is that it will not allow the private bankers and buyers of tax-exempt securities to further enslave our citizens. This plan will not meet with the approval of the international bankers, whose only aim in life is to keep us in bondage and to exact their tribute from each and every one.

To get back to the year 1932, on February 15, the gentleman from Massachusetts [Mr. LUCE] said:

> We are here to save the country from impending danger. I shall not particularize but will point out to you that such action as we are now taking by methods justified only under the most imperative circumstances may of itself testify to the extreme need of action—not of finding fault, not of reviewing ancient history, not of discussing wages, but of saving the financial structure of the United States; and before any man casts his vote against a proposal to that end, recommended by 20 out of 21 members of your Committee on Banking and Currency, recommended by your trusted leaders of both parties, recommended by those who are in charge for the moment of the financial destinies of the land—before he for some unrelated reason casts his vote, let him ask of himself what will the people of the United States think of his attitude in this grave hour of peril.
>
> In two market days the very proposal of this measure added $5,000,000,000 to the value of what we commonly speak of as securities—$5,000,000,000 brought by a ray of hope, brought by the certainty in the mind of the business world that this proposal would open the doors of the banks; that this would send the money out into circulation; that this would turn the wheels of industry; that this would set the tractors going over the plains; that this would renew the activities of the land.
>
> I know well that some short-sighted critics will say that we are doing this for the benefit of the speculators, will say that we are only helping those who gamble in the market. Nothing could be further from the fact. We are doing this to help the banks in order that the banks can help us, in order that the banks now keeping untold millions hoarded through fear of withdrawals of deposits may gain courage in order that they may with safety proceed again to make loans and thus spread the feeling of confidence that alone can bring us out of this crisis.

Well, we followed the course prescribed by the committee, and what happened? Five thousand million dollars were added to the value of securities which were nearly all held directly or indirectly for the benefit of the bankers. And did this action in the year 1932 open the doors of the bank? No! Within 1 year the doors of every bank in the Nation were closed. Did the banks send the money out into circulation that would turn the wheels of industry? No! The actual facts shown by economic surveys are that the total of commercial loans and discounts in this country were lower in 1933 than in 1932. And I leave it to you as to whether or not the banks released their hoarded millions and spread the feeling of confidence throughout the country.

It is further said:

> In all times of great national distress men have turned to individuals and have trusted them with temporary power, power that under other circumstances might seem extreme, might seem full of danger, but which in times of crises is necessary for national preservation. Because such a time is upon us, because the need exists, an imperative, commanding need, I pray that no man may hesitate to entrust this power to men whom we know in our hearts will be patriotic men, will be unselfish men, will have only the welfare of the country at heart, and will use their power for the common welfare.

And within 1 year after the gentleman from Massachusetts engaged in this great display of patriotic oratory, every bank in the country was closed and people driven to the depths of despair like this country had never known before.

The gentleman from Maryland said in 1932:

> The laboring man, the man who lives from day to day, is always the first consideration.
>
> Now, the Federal Reserve System is thoroughly aware of the purposes of this bill. It is thoroughly aware that the purpose of it is to give the Federal Reserve System an opportunity to go into the market and start raising the price level and reestablish the confidence of the people. They are honorable men. They are men of ability. They are men of experience. They have not always in the past used their powers in the way I would like them to, but they have a magnificent opportunity for the demonstration of a high-class and unselfish Americanism, and I believe they will make fine use of this opportunity.

And he guessed wrong then, and in 1934 he says, on page 3644 of the CONGRESSIONAL RECORD:

> Sometimes it is unwise to explain the purpose of a measure, but in my opinion it is necessary to go into detail about the necessity for this legislation at this time. The administration has gone a long way in its effort to drive the money changers from the temple. The people of the United States are not yet ready, in the judgment of the administration, for a managed currency; they are not yet ready for the issuance of money without some sort of reserve. The public is in the habit of having the Government issue its bonds when it needs money for public purposes. Unless this bill is passed, the market for Government bonds will drop immediately.

And further—

> I want to make a statement that I did not make yesterday, and that is, you cannot sustain the bond market unless this extension of time is given. Unless the Government can market its bonds, under our present set-up we cannot carry on the extensive public works now in the process of being worked out.

I challenge the statement that the Government is dependent upon the payment of a tribute, in the form of interest collected on Government bonds, in order to carry out its program. Just a short time ago our President of the United States stated that there must be a general scaling down of interest charges.

We are at the crossroads today, to decide whether or not we as Members of Congress are willing to help cut the shackles that are bearing down upon the American public by declaring our financial independence and by saying no tribute shall be paid to private bankers henceforth in the form of interest. When we take that step our work will have been complete.

Compared to the dangers in this bill, and the dangers of our past financial policies, a highwayman and a safe blower is a gentleman and the racketeer is an angel. The citizens of the United States are paying a yearly toll of $15,000,000,000 to bankers for interest covering all sorts of loans. Do you want this to continue?

The Federal Reserve bank, according to this bill, can take a billion dollars in United States bonds and hypothicate them, but still have them draw interest to the bank at 3 to 4 percent and pay the United States Treasury approximately $300,000 and receive $1,000,000,000 in new money. They can take the billion in cash and buy a billion in bonds, then take the second billion of bonds and three hundred thousand in cash and receive another billion of new money, and with that cash buy another billion of bonds. They can again take the billion of bonds and three hundred thousand of cash and receive another billion in cash, and so on, just like a dog chasing his tail, until the bond issues are completely taken up.

One billion in bonds and $2,700,000 in cash will float the entire bond issue of $9,000,000,000. That is, on an investment of $2,700,000 the Federal Reserve bank can have $9,000,000,000 drawing an interest of $258,750,000 annually, almost a million dollars for each working day of interest. That is 95.219 percent per year on the investment, or 26.06 percent daily interest. That is exactly what the terms of this bill gives to the Federal Reserve bank, a private corporation, and some of the gentlemen on the floor say it is necessary that we give these interests this bonus.

All other robberies in history are pikers as compared with this hold-up.

Suppose you gave the farmers of the Nation that kind of a chance to hold up the Government, it would read like this: Government sells farmers wheat at 30 cents a bushel and then buys back the same wheat and pays the farmer $28.75 for the bushel, then sells it to the farmer again at 30 cents and again buys it back at $28.75, and so on; more than that, the farmer would have all the natural results of the bushel of wheat. It would be his wheat and dole, too.

It would be like the grocer selling the same can of sardines nine times and still have the same can on his shelf. Extract nine profits and have it ready for the next customer. Why, a one-horse independent grocer could make money at that. We are actually giving that privilege to the chain grocers, the owners of the banks and chain stores, through this bill, and we wonder why the chains are outstripping the independents.

This bill is the sum total of all robberies ever pulled off in all history. Beside it all other robberies are but molehills as compared with this mountain of privilege.

The same method that the private bankers use in this bill is the method that could be used to pay off the soldiers' adjusted-service certificates, the only difference being that no one would be paying interest on the currency issued to pay the bonus to the soldier. There is no new principle of issuing money under the terms of the Patman bill, H.R. No. 1. The amount paid to the veterans will be permanent circulating medium and of the same wording, form, size, and denominations as United States notes issued under existing law and now in circulation.

So all may understand the purpose for which the adjusted-service certificates were issued, I quote the gentleman from Texas [Mr. PATMAN], who on February 20, 1934, clearly explained this. And there is no one in the House who can refute the facts, which are as follows:

There are 3,545,284 certificates as of January 1, 1934, of the aggregate face value of $3,543,981,515. Three million nineteen thousand five hundred and eighty-two of these veterans out of a total number of 3,545,000 have borrowed money on their certificates. They have borrowed $1,340,659,199.38, leaving a remainder due of approximately $2,200,000,000, and if that money is paid, it will go into every nook and corner of the Nation. It will not only benefit these veterans but it will benefit everybody. It will find its way into the local banks, and there be used as a reserve for the issuance of ten additional dollars for every dollar of reserve. That will help the country generally, as the people are very much in need of additional purchasing power. This will not be giving away $2,200,000,000, but it will be paying $2,200,000,000 on a debt that Congress has heretofore confessed was due to the 3,545,284 veterans in the United States.

HOW AMOUNT OF ADJUSTED-SERVICE CERTIFICATES ARRIVED AT

The committee that passed on this matter ascertained that there was a difference of between $1 and $1.25 a day between the pay received by the lowest-paid laborer in the United States during the war and what a private in the United States Army received. Many laborers in civilian life received several times as much as the lowest-paid laborers and the skilled workers received very high wages. Therefore the committee said we should at least compensate the soldiers to the extent of that difference between what the lowest-paid laborer received and what the average private received, the difference being between $1 and $1.25. Congress allowed them the $1 a day for home service extra, and $1.25 a day extra for service overseas. If this money is paid as of the time they rendered service, the full amount was due October 1, 1931. The reason it is not due now on its face is because there were 7 years from the time the services were rendered to January 1, 1925, the date of the certificates. The veterans were not allowed interest. So if you will go back and date the certificates as of the time they rendered the service and give the veterans the customary rate of interest paid to everyone else connected with the war, the full face value of each certificate was due on October 1, 1931, and this bill provides that no interest shall be charged the veterans subsequent to that time. I believe it is the best means, it is the best vehicle, that has ever been proposed to put purchasing power into the hands of the masses of the people in every nook and corner of the Nation.

CONTROLLED EXPANSION OF CURRENCY

House bill 1 provides for controlling expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates in new currency—United States notes. These notes will not bear interest and will be lawful money of the United States and shall be maintained at a parity value with the standard unit of value fixed by law. No new principle of issuing money is involved. Such notes shall be legal tender in payment of all debts and dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. Such notes, when held by any national banking association or Federal Reserve bank, may be counted as a part of its lawful reserve.

The State of Michigan would receive $85,418,613 if the adjusted-service certificates were paid. The various counties in Michigan would receive the following amounts:

Alcona	$88,005.96
Alger	164,528.28
Allegan	687,501.36
Alpena	327,645.36
Antrim	176,029.56
Arenac	141,243.48
Baraga	161,723.52
Barry	369,169.92
Bay	1,225,521.36
Benzie	116,194.68
Berrien	1,430,004.24
Branch	422,478.00
Calhoun	1,535,438.52
Cass	368,464.32
Charlevoix	211,344.84
Cheboygan	202,895.28
Chippewa	441,829.08
Clare	124,044.48
Clinton	426,429.36
Crawford	54,631.08
Delta	569,419.20
Dickinson	528,159.24
Eaton	559,681.92
Emmet	266,522.76
Genesee	3,733,347.24
Gladwin	130,959.36
Gogebic	557,018.28
Grand Traverse	352,994.04
Gratiot	533,645.28
Hillsdale	483,635.88
Houghton	932,291.64
Huron	549,168.48
Ingham	2,056,594.68
Ionia	619,040.52
Iosco	132,599.88
Iron	367,000.20
Isabella	372,662.64
Jackson	1,628,242.56
Kalamazoo	1,611,731.52
Kalkaska	67,014.36
Kent	4,242,614.04
Keweenaw	89,540.64
Lake	71,724.24
Lapeer	500,058.72

Leelanau	144,753.84
Lenawee	879,336.36
Livingston	339,993.36
Luce	115,153.92
Mackinac	154,932.12
Macomb	1,360,855.44
Manistee	307,094.76
Marquette	777,500.64
Mason	330,855.84
Mecosta	277,618.32
Menominee	417,221.28
Midland	337,806.00
Missaukee	123,338.88
Monroe	925,835.40
Montcalm	484,588.44
Montmorency	49,638.96
Muskegon	1,492,873.20
Newaygo	300,391.56
Oakland	3,726,467.64
Oceana	243,520.20
Ogemaw	116,335.80
Ontonagon	196,050.96
Osceola	225,897.84
Oscoda	30,481.92
Otsego	97,972.56
Ottawa	967,695.12
Presque Isle	199,861.20
Roscommon	36,250.20
Saginaw	2,129,447.88
St. Clair	1,191,811.32
St. Joseph	540,101.52
Sanilac	489,527.64
Schoolcraft	149,075.64
Shiawassee	697,079.88
Tuscola	580,955.76
Van Buren	575,716.68
Washtenaw	1,155,949.20
Wayne	33,321,007.44
Wexford	296,828.28
Total	$85,418,613.00

The Fourteenth Congressional District of Michigan would receive over $6,000,000.

Do you not think that we all would benefit if this amount of money was used to increase supply of money and the purchasing power of the people? And do not forget that the money which we would use to pay off the debt to the soldier would be the same kind of money we are using to pay the bonus to the bankers for which the bankers contribute nothing, but use to exact a tribute from the people in the form of money loaned to them or their divisions of government for a price, the payment of interest. The payment of the adjusted-service certificates will put money into the hands of nearly 4,000,000 veterans who will use it to purchase goods they have so long needed, pay taxes, and put it in the channels of business. This money will not be hoarded, but spent. The circulation of this money will help the President's program and may be the one thing necessary to guarantee it success.

So the paramount issue of today is this: Shall the Government of the United States be run for the benefit of the international bankers or shall the citizens of the United States be given the right to "life, liberty, and the pursuit of happiness"? Shall we replace the Statue of Liberty with the golden statue erected to the god of greed? Shall we forget that the only time our Saviour used force was when he drove the money changers from the temple? Let us reestablish the principle that we all believe in: That all men are entitled to a right to work, to own their own homes, to reap a just reward for their labors, and to enjoy nature's sunshine as God intended. We owe it to our children that we shall not depart and leave them in a condition of bondage and slavery to organized greed and gold.

Inheritances and incomes must be limited so the powerful few cannot have it in their power to control the life and destiny of the many. The lifeblood of labor shall not be further transfused by the payment of interest.

Mr. LEMKE. Mr. Speaker, there is danger ahead—the Government is still trying to get prosperity by borrowing—by issuing billions more of tax-exempt interest-bearing bonds. By the end of this year, it is said, this Nation's debt will be some $32,000,000,000. The average interest on this huge sum will be about 3½ percent, which amounts to $1,120,000,000 per annum. This is the national debt. It does not include that of States, counties, cities, and other political subdivisions. These States, counties, cities, and other political subdivisions, as well as individuals, have all stretched their credit to the limit.

This Nation is bankrupt; every State in this Union is bankrupt; the people of the United States, as a whole, are bankrupt. The public and private debts of this Nation, which are evidenced by bonds, mortgages, notes, or other written instruments amount to about $250,000,000,000, and it is estimated that there is about $50,000,000,000 of which there is no record, making in all about $300,000,000,000 of public and private debts. The total physical cash value of all the property in the United States is now estimated at about $70,000,000,000. That is more than it would bring if sold at public auction. In this we do not include debts or the evidence of debts, such as bonds, mortgages, and so forth. These are not physical property. They will have to be paid out of the physical property. How are we going to pay $300,000,000,000 with only $70,000,000,000? It cannot be done unless we first put more money into actual circulation—not by doubling it in the hands of a few but by putting it into circulation among the people. Let Wall Street call that debasing of the currency and make the most of it. We are more concerned with not debasing American manhood and womanhood.

At 5 percent the interest on this vast indebtedness amounts to $15,000,000,000 annually, or $120 a year for every man, woman, and child. The amount of money in actual circulation in this country is about $2,000,000,000—by that I do not mean money lost or destroyed, hoarded, or in foreign countries. Therefore, in order to pay the interest on our public and private debts, each dollar in actual circulation—in actual use—will have to be used as a revolving fund and be paid over seven and one-half times a year.

Yet in spite of this vast indebtedness, in spite of these dizzy, incomprehensible figures, millions of our people are forced to seek a position on the Federal pay roll or on a disguised dole system. There is not enough money among the people to enable them to employ and utilize the energy of these men and women in necessary and useful work—there is a money famine. We have made beggars out of a once proud people. States, counties, cities, school districts, and other quasi-public institutions are all asking for help from the Federal Government. Some of these are offering so-called "frozen assets" as security for loans, forgetting that these assets are no longer frozen but have long since evaporated. There is danger ahead, a collapse, and a collapse means devastation and destruction.

What, then, caused this condition? It was caused by the monopolization—not of the wealth of this country but of the medium of exchange—the monopolization in the hands of a few financial monarchs of the money of the country—the unit of exchange. This was brought about by skillful manipulation of the currency, by a monopolizing tariff, by gambling in stocks and bonds and the necessities of life. It was brought about first by virtually doubling the money in circulation through the Federal Reserve banks during the war and then by cruel, brutal, and inhuman deflation, by virtually cutting in two the money in circulation.

May we ask what is money? What is its purpose and its function? Money is not gold; it is not silver. Money as such has no intrinsic value; it is a unit of exchange, a measure of values, a common denominator with which we measure the comparative values of commodities; it is a yardstick with which we measure the comparative values of the things produced by the energy of a people. Money is made by law; demonetize gold today and remonetize silver, and gold would be worth less than silver.

We have heard a great deal about real money and bank money—credit money. It may be well for us to find out just what credit money—bank money—is as compared with real money. In plain words, credit money or bank money is just hot air; it is make-believe money that does not exist. Bank or credit money is a condition where all the banks of this Nation have on deposit, as they had on January 9 last year, $42,000,000,000 and only $684,000,000 of actual money with which to pay the $42,000,000,000. How could they pay $62 with only $1? That is why we had the bank holiday. The difference between $42,000,000,000 on deposit and $684,000,000 of actual money in the banks is credit money or bank money. In other words, bank money or credit money is imaginary money on which the banks draw interest. The trouble with us is that we have too much bank or credit money and not enough real money. What we need is enough actual money in actual circulation to do the Nation's business and less imaginary bank money or credit money.

To loosen this strangle hold upon our people we propose as a remedy the Frazier-Lemke bill. This bill provides that the United States Government shall refinance existing farm indebtedness at 1½-percent interest and 1½-percent principal on the amortization plan, not by issuing bonds but by issuing Federal Reserve notes secured by the best securities on earth, first mortgages on farm lands; better security than gold or silver, because you cannot eat gold or silver but you can eat the products that grow on the farms, therefore your life depends upon the farms. They are the best security on the face of the earth. If our Government has enough intelligence to do this, it will make a profit of $6,345,000,000 at 1½ percent interest in 47 years, the time required for amortization of the farm indebtedness.

Let us compare the Frazier-Lemke bill with the one passed by the special session of Congress, written in New York in the atmosphere of the money changers. Under that bill, if all the farm indebtedness were refinanced, the farmers of this Nation would pay $12,492,500,000 in 39 years to the coupon clippers. Under the Frazier-Lemke bill, the farmers would have to pay just $6,149,500,000 less interest in 47 years, and, at the same time, the Government would make a net profit of $6,345,000,000, and to that extent lessen our Federal tax burden.

Under the present Farm Mortgage Act the farmer is asked to pay 4½-percent interest if he lives in a Federal Farm Loan Association district and 5 percent if he does not, and in addition pay 1 percent for administration and buy stock in an amount equal to 5 percent of the loan, making 10½ or 11 percent for the first year and thereafter 4½- or 5-percent interest, together with 1 percent for amortization, making 5½ or 6 percent annually until paid. While under the Frazier-Lemke bill he will pay 1½-percent interest and 1½-percent principal, or $30 for each thousand dollars borrowed for approximately 47 years. Under the Frazier-Lemke bill a farmer could carry a $17,000 mortgage loan, as far as his ability to pay goes, as easily as a $5,000 loan under the present law. The Frazier-Lemke bill takes into consideration the farmers' ability to pay.

Our Government now prints Federal Reserve notes and gives them to the Federal Reserve banks at 0.7 of 1 cent per bill—the cost of printing. It makes no difference whether that bill is a one-dollar bill or a thousand-dollar bill—or whether they keep it for 1 year or for 20 years—all they ever pay your Uncle Sam for it is 0.7 of 1 percent per bill. The amount of all the paper money given by the Government to the banks amounted on January 1 last to over $4,878,500,000, of which amount over $3,332,000,000 were Federal Reserve notes.

After your Government had given all this money to these bankers, it found it necessary to borrow back some of the money that it gave away. It had to sell bonds. The amount of these bonds together with certificates of indebtedness on January 31 last amounted to over $25,000,000,000 and will be, it is claimed, some $32,000,000,000 by the end of the year. These bonds bear interest on an average of about 3½ percent and are tax exempt. In other words, these bankers used the $4,878,500,000 paper money which your Government gave them as a revolving fund with which they bought the $25,000,000,000 tax-exempt, 3½-percent, interest-bearing bonds and certificates.

These bankers not only now have the $25,000,000,000 tax-exempt, interest-bearing bonds and certificates but they also have the $4,878,500,000 of paper money which your Government gave them and which they used as a revolving fund to buy these bonds. At this time the Government is borrowing about a billion dollars a month. It prints tax-exempt, interest-bearing bonds to that amount and hands these over to these bankers, and in return the bankers hand to the Government deposit slips. No money is exchanged—the whole thing is merely a bookkeeping transaction. The banks draw interest on the bonds, but the Government draws no interest on the deposit slips. The Government checks on these deposit slips and the persons who receive the checks redeposit them in the banks. The Government, of course, is short changed. If the banks need more money as a revolving fund, they take these bonds and put them up as security for more Federal Reserve notes.

Congress, in passing Senate bill 2766 last Saturday, extended the privilege for 3 years more to the Federal Reserve banks, of buying tax-exempt, interest-bearing bonds and then putting them up with the Federal Reserve Board and receiving Federal Reserve notes—money—for seven tenths of 1 cent per bill—the cost of printing. There is no limitation—the sky is the limit. In other words, the Government farms out the right to have money issued to the banks and they agree to buy tax-exempt, interest-bearing bonds with money that the Government gives them for nothing. In that way the Government can continue to borrow on the one hand by issuing tax-exempt, interest-bearing bonds for the bankers at the expense of the taxpayer, and on the other hand, print the money for these banks until the whole credit structure of this Nation will fall.

There was great confusion and resentment on the floor of the House of Representatives when the party leaders of both parties brought this bill up for consideration on Friday. The majority of the Members then seemed determined to stop this vicious practice of issuing money and giving it to the banks for nothing and then borrowing it back again by issuing interest-bearing tax-exempt bonds. To save the day for this bill, the House was adjourned. The next day, strange as it may seem, the bill that could not have been passed the night before, was passed with only 38 dissenting votes.

To one unfamiliar with how laws are made, it would seem as it did to Alice in Wonderland, where things seem real but are not. No voice was heard about fiat money, soft money, nor yet about debasing the currency. The dying shadows of a past civilization, slaves of a dying monetary system won a temporary victory. The bill which pays tribute to the bankers for doing that which it is clearly the duty of the Government to do was passed. We have this consolation, however, that there will be an end to dreamland. It may take another election or two, but ultimately the public wrongs will be righted and the people will triumph.

If our Government can print paper money for the bankers, why can it not do it for the farmers? Why not do it for agriculture? Why not issue Federal Reserve notes secured by better security than the bankers put up—secured by the farms of this Nation? Why not do the reasonable thing—the intelligent thing—the only thing—and pass the Frazier-Lemke bill? When this bill becomes a law, it will reduce a farmer's indebtedness by three fifths in 47 years because of the lower rate of interest, and in addition the Government will make a net profit of $6,345,000,000. On a $10,000 loan the farmer will save $24,000 in interest in 47 years and the Government will make $1,100 net profit. What does that mean to you business and professional men and women? It means that this farmer will spend that $24,000 at home; that he will buy the things that he is so much in need of; and that the wheels of progress will start moving. We will have stopped making beggars of a once proud people. There will be no further need of a disguised dole system—of tax-exempt interest-bearing bonds.

This bill is right in line with the President's monetary policy. The mere seizing of the monetary gold of this Nation by the Government and increasing its value by lowering the gold content in the dollar, while it will make several billion profit for the Government, will not in itself help agriculture or industry unless the medium of exchange—the money in circulation—is also increased. Making gold dearer and thereby making money that is in our possession—silver and paper—cheaper will not expand the currency but, on the contrary, contract it.

Congress must supply the next step—the Frazier-Lemke bill—when Congress passes that, then there will be issued and put into circulation among the people several billion dollars of new money, Federal Reserve notes. It will again give purchasing power to the people. The farmer will pay his banker, his merchant, his lawyer, and his doctor, and they in turn will pay their bills, and all will start in again repairing and improving their homes. Unemployment and starvation will cease. The enforced idleness of millions of men and women will disappear, and we will hear no more of overproduction. Consumption will again be normal; real prosperity will return.

This bill has the official endorsement of the National Farmers' Union; it has the official endorsement of some State farm bureau organizations and of many bureau and grange locals throughout the Nation. It has the approval of 95 percent of the farmers of this Nation; it has the approval of every intelligent banker, business and professional man and woman. Twenty-one State legislatures have asked Congress to pass this bill. They are: Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, and Wisconsin. It has the approval of the lower house of the State Legislature of New York, the President's own State, as well as that of Ohio and of Delaware. Surely no Member of Congress from these States is justified in ignoring this mandate from his State.

Why, then, does Congress not pass this bill? Is it because Wall Street is still closer to Congress than are the people of the United States? The people have been sleeping at the switch. They expect Congress to do something for them and generally wake up to find that it did something to them—gave them the so-called "Economy Act" and make-believe farm relief. This is the people's fault. They neglect Congress, while the international bankers are on the job with their lobbyists and false propaganda. This Government is the people's. The responsibility rests upon their shoulders. They elect all the Representatives and one third of the Senators in Congress every 2 years. They can and ought to make their representatives responsive to their will.

They have a right to demand that Congress pass the Frazier-Lemke bill—they have a right to ask their Congressmen to sign the petition at the Speaker's desk to bring this bill out on the floor for discussion and passage. Congress must give this Nation the Frazier-Lemke bill and the Patman bonus bill—it must refinance the farmers and pay the soldiers in cash. It must give us an intelligent expansion of the currency, not in the hands of a few, but in the hands of the people. We cannot borrow ourselves out of indebtedness. An aroused and enlightened public opinion will compel Congress to pass this bill eventually, why not now?

THE SENATE VETERAN AMENDMENTS TO THE INDEPENDENT OFFICES APPROPRIATION BILL

Mr. MOTT. Mr. Speaker, I ask unanimous consent to extend the remarks I made on yesterday on veterans' legislation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MOTT. Mr. Speaker, I stated yesterday in reply to the question of the gentleman from North Carolina [Mr. BULWINKLE] what the provisions of the Senate amendments to the independent offices appropriation bill were in regard to disabled veterans of the World War and the Spanish War veterans. Expiration of the time allotted me for this purpose prevented me from summarizing the remaining veteran provisions of the amendments. I desire to do this now.

In addition to the World War and Spanish War veterans' provisions, the Senate amendments include remedial legislation in regard to hospitalization, to death compensation of World War veteran widows and children, and to disability retirement pay of emergency officers actually disabled in line of duty.

The widow's pension amendment provides that in no event shall death compensation being paid to widows, children, or dependent parents of deceased veterans be reduced or discontinued, whether the death of the veteran on whose account compensation is being paid was directly or presumptively connected with service. The amendment excludes from its provisions any case where death compensation was or is being paid through fraud, misrepresentation of a material fact, or unmistakable error; and this, in my opinion, is an all-sufficient safeguard and disposes of every reason for continuing the inhuman provisions of the Economy Act in regard to death compensation to dependents, under which thousands of helpless widows and orphans of disabled veterans were left destitute.

The Senate amendments also reinstate about 1,900 emergency officers actually disabled in line of duty during the war, and whose disability allowance was cut off by the Economy Act. This restoration includes only those officers whose injury or disease was made a matter of official record by competent military authority during the period of actual service in war time, and to whom a disability allowance was being paid at the time of the passage of the Economy Act.

HOUSE UNDERSTANDS THE ISSUE

Finally, the Senate amendments provide that any honorably discharged veteran of any war who is suffering from disability or disease requiring hospitalization or domiciliary care and who is unable to defray the necessary expenses thereof, shall be entitled to hospitalization or domiciliary care in any veterans' hospital within the limitations existing in such hospital.

Now, Mr. Speaker, I repeat, there is nothing vague and nothing ambiguous in any of these amendments, nothing which the Members of the House do not understand and which they have not been perfectly familiar with ever since the Legion four-point bill and the Spanish War veterans' bill were introduced in January. I say the House is entitled to vote on these amendments now, and that it is competent to vote on them, without the intervention or advice of the Appropriations Committee.

There are gentlemen here who honestly believe that these amendments are not proper. They voted for the Economy Act in the first place, knowing what it would do and what it has done for the sick and disabled veterans, both in the hospitals and out of them. I have no quarrel with them. If they are against the amendments, either in whole or in part, let them vote according to their convictions and their conscience. I do not deny them the right to vote against the amendments, but, Mr. Speaker, neither shall they deny me the right to vote for them, if I can help it. And that is why I have filed these motions to discharge the committees.

In closing, let me say this. If, as the distinguished majority leader assured me on the floor yesterday, it is the intention of the Appropriations Committee to report out these Senate amendments within a reasonable time, and in the exact form in which they received them, I have no great objection to that committee doing so. In that case, however, I am wholly unable to see any reason for the reference of the amendments to the Appropriations Committee. If that committee is simply going to hold the amendments for 3 or 4 days and then send them into the House without any change, for what purpose was the reference to that committee?

The astute, capable, and intelligent leaders of the majority, who, by the way, are opposed to these amendments, do not do meaningless or futile things. If the Appropriations Committee report the amendments out unchanged, within a reasonable time, and allow the House a direct vote upon each one of them separately, my opinion is that it will not be because the majority leaders want them to—otherwise, they never would have had them referred to that committee—but it will be because the pressure of sentiment both within this body and without it, forces them to do so.

That such sentiment exists and exists strongly, I think there can be no possible doubt. Therefore, whatever the reason may have been for referring the amendments to the committee, we are willing to wait a reasonable time, and no more, for those amendments to come out. If they do not, then by the motions for discharge which I have filed, we intend to force consideration of both the American Legion four-point bill and the Spanish War veterans' bill, notwithstanding the wishes either of the majority leaders or the committee.

EXTENSION OF REMARKS

Mr. DOBBINS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to append thereto a transcript of a radio address on the occasion of the President's birthday, by Mr. Edwin C. Hill.

Mr. RICH. Reserving the right to object.

Mr. TABER. Reserving the right to object.

Mr. RICH. I should like to know what the radio address is.

Mr. DOBBINS. It was a nonpolitical address by Edwin C. Hill, on the night of the President's birthday, on a commercial program, and it has a historical value, as it contained a very vivid newspaper account of the inaugural exercises a year ago tomorrow.

Mr. RICH. Mr. Speaker, I object.

CIVIL WORKS ADMINISTRATION

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SWICK. Mr. Speaker, since the order to curtail the rolls of the Civil Works Administration was ordered by the administration 2 weeks ago, my office has been deluged with letters coming from men in my district who find themselves overcome with fear of want and hunger for their families.

For the first time in these years of trial I am receiving letters containing words of doubt—fear for the future of America. Men look with awe on the trend of government. I quote a paragraph from a letter written by a foreman on a C.W.A. project in my home county of Beaver, Pa.:

> For God's sake don't let us have a Germany, a France, or an Austria here. Put these men to work again, give them 30 hours a week and the same wages they were getting, or God help our country!

Western Pennsylvania is experiencing the most severe winter it has known in the memory of most of its citizens; inclement weather has caused the cessation of C.W.A. projects for days at a time, for instance, men employed on a sewer project in Pulaski Township, Beaver County, received in wages for the week ending February 24, 1934, the sum of $2.50, according to the foreman whose letter I have quoted in part.

At the time the C.W.A. was inaugurated, it was the announced purpose of the administration to carry it on until the P.W.A. and industry could assimilate the workers into their operations, certainly no person is optimistic enough to believe that can or will be done at this time.

The only conclusion that can be reached is the administration does not believe that which it has attempted to make the people believe that the recovery program of the President is successful or that it is producing the results intended.

We have almost completed 12 months under the new deal; the much-heralded annual review to be issued by the Democratic Party has been postponed.

President Roosevelt, in his inaugural address, used the following words, which, in my opinion, may well be repeated at this time:

> This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive and will prosper. So first of all let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.

My friends, barrages of propaganda, composed of exaggerated reports of employment, charges of corruption against men in high places, and a general smearing of America before the new deal, succeeded for many months to draw the attention of our people from that which menaced them near at hand and focus their eyes on the mirage of the "brain trust."

A few days ago the people of Germany took an oath of fealty and allegiance to Hitler. They have been carried away on a storm of fanatical propaganda until they have submerged every right and become mere pawns for an ambitious politician.

During the past 12 months charges of treason have been hurled at men and women who dared to lift their voices in protest against the practices of the new deal. The legislative branch of the Government ceases to function through the deliberations of duly elected representatives of the people. Legislation is drafted and originated at the other end of Pennsylvania Avenue by men who are long on theory and short on experience. The will of the people as expressed to their Members of Congress is subject to the decree of the executive council, issued through the majority leaders at the Capitol.

Let me quote further from that inaugural address of a year ago:

> And it is to be hoped that the normal balance of executive and legislative authority may be wholly equal, wholly adequate to meet the unprecedented task before us. But it may be that an unprecedented demand and need for undelayed action may call for a temporary departure from that normal balance of public procedure.
>
> I am prepared, under my constitutional duty, to recommend the measures that a stricken nation in the midst of a stricken world may require. These measures or such other measures as the Congress may build out of its experience and wisdom I shall seek, within my constitutional authority, to bring to speedy adoption.
>
> But in the event that Congress shall fail to take one of these two courses, in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad executive power to wage a war against the emergency, as great as the power that would be given to me if we were, in fact, invaded by a foreign foe.

Congress has complied with every request made by the Chief Executive; many Members, Republicans and Democrats alike, who have spent years in legislative service, have submerged their own views in the hope that the new deal would succeed. It is admitted now that many of the policies have not worked out and new ones are to be substituted for them; we shall continue to experiment with human lives. In view of this, if the President carries out his plan as stated in his address which I have just quoted, the next step will be to adjourn Congress by placing all authority—legislative and executive, in the hands of the President.

The Government has by its own spokesmen given the millions of unemployed men and women reason to believe they may rightfully expect employment, if from no other source, from the Government itself. Yet the administration admits this is not possible by its avowed intention of stopping the C.W.A., which has furnished temporary employment for about 4,000,000 people, or about one third of those out of employment.

What substitute is proposed for the C.W.A.? The most recent plan is known as the "three-point plan", involving Federal aid through local relief agencies and the transplanting of from 300,000 to 500,000 families from their present localities to other areas, where they will be placed on subsistence farms, and where it is hoped they can eke out an existence by part-time employment in industry. It reminds me a great deal of the fate of the Arcadians. But that would be looking backward.

Mr. Speaker, I call upon the Members of this House to assume the responsibilities of their office; we have listened to a one-man band long enough, so long, in fact, that we are in danger of being lulled to sleep by the monotonous rhythm, and awaken to find the Government which we have sworn to defend, and the Constitution we have sworn to uphold, a matter of history, while our country joins with the many others who have reverted to the ancient form of government now known as "dictatorship."

I do not believe any human being is equal to the task of restoring prosperity in this country by the application of theories which are admitted to be experiments.

I do believe, however, that the American people have the courage to face the facts if they are placed before them in an honest, straightforward manner. They will call upon their own mental and physical resources, just as their forefathers did in former years, and with the help of Almighty God, go forward, proud Americans, conscious of their duties as citizens, determined to be master of their own lives.

I am willing to vote any amount of money the Nation's credit will stand for relief purposes, but I object to the creation of a great paternalistic government, which will stamp out of our lives those forces which have made America great—initiative, self-reliance, and independence.

I respect the President of the United States; I am confident he is doing his best to make conditions better; I also respect the wisdom of the American people; the brains of this Nation are not concentrated within the craniums of a few men. The voice of experience should be heeded. Let us preserve America for those who subscribe to American principles at all cost.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. REID of Illinois, indefinitely, on account of important business.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 2 o'clock and 9 minutes p.m.) the House adjourned until Monday, March 5, 1934, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine, Radio, and Fisheries. H.R. 6175. A bill to amend an act entitled "An act to amend sections 3 and 4 of an act of Congress entitled 'An act for the protection and regulation of the fisheries of Alaska', approved June 26, 1906, as amended by the act of Congress approved June 6, 1924, and for other purposes"; with amendment (Rept. No. 866). Referred to the House Calendar.

Mr. JONES: Committee on Agriculture. H.R. 8402. A bill 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; with amendment (Rept. No. 867). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H.R. 8378) granting a pension to Clara J. Masterson, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. HOEPPEL: A bill (H.R. 8458) to amend section 6 of Public, No. 2, Seventy-third Congress, to provide hospital treatment and domiciliary care to retired personnel of the armed services without additional expense to the Government; to the Committee on Expenditures in the Executive Departments.

By Mr. SWICK: A bill (H.R. 8459) for the improvement of the Beaver and Mahoning Rivers located in Pennsylvania and Ohio; to the Committee on Rivers and Harbors.

By Mr. WOOD of Georgia: A bill (H.R. 8460) to amend section 392 of title 5 of the United States Code; to the Committee on the Post Office and Post Roads.

By Mr. BUCK: A bill (H.R. 8461) authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes; to the Committee on Agriculture.

By Mr. RUFFIN: A bill (H.R. 8462) granting an easement over certain lands to the Springfield Special Road District in the county of Greene, State of Missouri, for road purposes; to the Committee on the Judiciary.

By Mr. COLDEN: Resolution (H.Res. 290) requesting the Secretary of the Interior to furnish to the House of Representatives a comprehensive plan for the improvement and development of the rivers and water resources of the States of California, Arizona, and Nevada, and, furthermore, to include authority for the establishment of subsistence homesteads and the encouragement of home owning; to the Committee on Flood Control.

By Mr. WELCH: Joint resolution (H.J.Res. 289) authorizing establishment of bulk and pierhead lines in San Francisco Bay from a point near Point Avisadero (Hunters Point), San Francisco County, to Ravenswood Point, San Mateo County; to the Committee on Rivers and Harbors.

By Mr. BUCHANAN: Joint resolution (H.J.Res. 290) to provide an appropriation to carry into effect the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes", approved February 23, 1934; to the Committee on Appropriations.

MEMORIALS

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

By the SPEAKER: Memorial of the State of Massachusetts, memorializing Congress to increase immigration quotas so as to enable persecuted Jewish people in Germany to enter the United States; to the Committee on Immigration and Naturalization.

Also, memorial of the State of Michigan, regarding discrimination against sales at retail; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CARDEN of Kentucky: A bill (H.R. 8463) granting a pension to Isaphaine Hufft; to the Committee on Invalid Pensions.

By Mr. MARTIN of Massachusetts: A bill (H.R. 8464) authorizing the Secretary of the Navy to award a Distinguished Service Cross to John Moran; to the Committee on Naval Affairs.

By Mr. MEAD: A bill (H.R. 8465) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N.Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island; to the Committee on Claims.

By Mr. REECE: A bill (H.R. 8466) for the relief of Lt. Col. Harry W. Stephenson, United States Army, retired; to the Committee on War Claims.

By Mr. RUFFIN: A bill (H.R. 8467) for the relief of A. P. Beazley; to the Committee on Claims.

By Mr. SCHAEFER: A bill (H.R. 8468) for the relief of Sarah Shelton; to the Committee on Claims.

By Mr. SINCLAIR: A bill (H.R. 8469) for the relief of H. M. Pippin; to the Committee on Claims.

By Mr. WOOD of Georgia: A bill (H.R. 8470) for the relief of Eddie B. Black; to the Committee on Claims.

PETITIONS, ETC.

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

2716. By Mr. AYERS of Montana: Petition of L. R. Bateman, of Great Falls, and sundry other citizens of Great Falls, Brady, and Missoula, Mont., praying for repeal or modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

2717. By Mr. CARTER of California: Petition of William H. Becker, Elmar R. Beverley, H. G. Preston, and 47 others, residents of Alameda County, Calif., urging restoration of benefits to Spanish-American War veterans and their dependents; to the Committee on Pensions.

2718. Also, petition of Evelyn Silva, Mary E. Peters, Jewel R. Colbert, and 47 others, residents of Alameda County, Calif., urging restoration of benefits to Spanish-American War veterans and their dependents; to the Committee on Pensions.

2719. Also, petition of Harvey Forrester, Effie L. Wickham, Henry S. Thayer, and 19 others, residents of Alameda County, Calif., urging restoration of benefits to Spanish-American War veterans and their dependents; to the Committee on Pensions.

2720. Also, petition of L. M. Hudson, S. W. Alexander, George Jenkins, and 45 others, residents of Alameda County, Calif., urging restoration of benefits to Spanish-American War veterans and their dependents; to the Committee on Pensions.

2721. Also, petition of L. R. Sapp, Edward Love, R. C. Williams, and 45 others, residents of Alameda County, Calif., urging restoration of benefits to Spanish-American War veterans and their dependents; to the Committee on Pensions.

2722. Also, petition of W. P. Hodgkins, J. H. Morgan, and seven others, residents of Alameda County, Calif., urging restoration of benefits to Spanish-American War veterans and their dependents; to the Committee on Pensions.

2723. By Mr. FULLER: Petition of the veterans of the Seventeen Hundred and Eightieth Company of the Veterans' Civilian Conservation Camp at Mount Nebo, Ark., praying for the payment of the soldiers' bonus; to the Committee on Appropriations.

2724. By Mr. HILDEBRANDT: Resolution of the Fortnightly Club, of Mitchell, S.Dak., urging support of House bill 6097, for supervision of motion pictures, known as the "Patman bill"; to the Committee on Interstate and Foreign Commerce.

2725. By Mr. KENNEY: Memorial of the borough of Cresskill, Bergen County, N.J., endorsing House bill 7316, introduced in the House of Representatives by Mr. KENNEY for the authorization of a national lottery to be conducted under the auspices of the United States; to the Committee on Ways and Means.

2726. By Mr. LINDSAY: Petition of the Chamber of Commerce of the State of New York, New York City, opposing numerous provisions in the National Securities Exchange Act, S. 2693; to the Committee on Banking and Currency.

2727. Also, petition of American Ice Co., Jersey City, N.J., protesting against certain provisions of the National Securities Exchange Act of 1934; to the Committee on Banking and Currency.

2728. Also, petition of American Federation of Labor, Washington, D.C., favoring the passage of House bill 3842; to the Committee on Immigration and Naturalization.

2729. By Mr. LUDLOW: Petitions of citizens of Indianapolis, Ind., requesting early hearings and favorable action on the Patman motion picture bill, H.R. 6097; to the Committee on Interstate and Foreign Commerce.

2730. By Mr. MEAD: Petition of the American Legion, Buffalo, N.Y.; to the Committee on World War Veterans' Legislation.

2731. Also, petition of the Sons of the American Revolution, Buffalo, N.Y., urging favorable action on House bill 683; to the Committee on Ways and Means.

2732. Also, petition of the Erie County Board of Supervisors, New York State; to the Committee on Naval Affairs.

2733. Also, petition of O.P. and C.F.I.A., Local No. 9, Buffalo, N.Y., urging adoption of House bills 7202 and 7050; to the Committee on Labor.

2734. Also, petition of the Buffalo Aeronautical Workers Union, Buffalo, N.Y., urging favorable action on bill for insurance for unemployed, and passage of 30-hour week bill; to the Committee on Labor.

2735. By Mrs. ROGERS of Massachusetts: Petition of the General Court of Massachusetts, memorializing the President and the Congress of the United States relative to increasing immigration quotas so as to enable persecuted Jewish people in Germany to enter the United States; to the Committee on Immigration and Naturalization.

2736. By Mr. RUDD: Petition of Sidney Blumenthal & Co., Inc., New York City, concerning certain provisions of the National Securities Exchange Act of 1934; to the Committee on Banking and Currency.

2737. Also, petition of American Ice Co., Jersey City, N.J., protesting against certain provisions of the National Securities Exchange Act of 1934; to the Committee on Banking and Currency.

2738. Also, petition of Chamber of Commerce of the State of New York, New York City, opposing numerous provisions in the National Securities Exchange Act, S. 2693; to the Committee on Banking and Currency.

2739. Also, petition of the Old Glory Council of the American Association for the Recognition of the Irish Republic, Brooklyn, N.Y., protesting against the scuttling and destruction of the American Merchant Marine perpetrated by the British; to the Committee on Merchant Marine, Radio, and Fisheries.

2740. Also, petition of Camp Dewey, No. 41, United Spanish War Veterans, Kenosha, Wis., favoring House bill 7135; to the Committee on Pensions.

2741. Also, petition of the American Federation of Labor, Washington, D.C., favoring the passage of House bill 3842 for the deportation of certain alien seamen; to the Committee on Immigration and Naturalization.

2742. By Mr. SWICK: Petition of the Ministerial Association of Lawrence County, Pa., urging the enactment of House bill 6097 providing higher moral standards for motion-picture films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

2743. By Mr. THOMASON: Petition of El Paso County, Tex., urging adoption of amendment to independent offices appropriation bill in behalf Spanish-American veterans and widows; to the Committee on Appropriations.

2744. By the SPEAKER: Petition of the borough of Cresskill, Bergen County, N.J., regarding the conduction of a national lottery; to the Committee on Ways and Means.

2745. Also, petition of Charles Forney; to the Committee on Interstate and Foreign Commerce.

2746. Also, petition of the Young Women's Christian Association of Indianapolis, Ind.; to the Committee on the Judiciary.

2747. Also, petition of Building Owners and Managers Association of Dayton, Ohio; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, MARCH 5, 1934

(Legislative day of Wednesday, Feb. 28, 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 following bills of the Senate:

S. 406. An act for the relief of Warren J. Clear;

S. 750. An act for the relief of the Lebanon Equity Exchange, of Lebanon, Nebr.;

S. 1069. An act authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co.;

S. 1074. An act authorizing adjustment of the claims of John T. Lennon and George T. Flora;

S. 1087. An act authorizing adjustment of the claim of William T. Stiles;

S. 1115. An act to authorize the Department of Agriculture to issue a duplicate check in favor of Department of Forests and Waters, Commonwealth of Pennsylvania, the original check having been lost;