

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BACHARACH: A bill (H.R. 9587) for the relief of George E. Morrison; to the Committee on Naval Affairs.

By Mr. COLLINS of California: A bill (H.R. 9588) granting an increase of pension to Addie Allen; to the Committee on Invalid Pensions.

By Mr. DARDEN: A bill (H.R. 9589) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Solomon J. Oliver; to the Committee on Claims.

By Mr. HARLAN: A bill (H.R. 9590) granting a pension to Ida J. Clark; to the Committee on Invalid Pensions.

By Mr. HENNEY: A bill (H.R. 9591) for the relief of John E. Ford; to the Committee on Military Affairs.

By Mr. IMHOFF: A bill (H.R. 9592) for the relief of James Mickey; to the Committee on Military Affairs.

PETITIONS, ETC.

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

4600. By Mr. BLOOM. Petition of 21 citizens of New York, endorsing the Lundeen bill (H.R. 7598); to the Committee on Labor.

4601. Also, petition of the members of Independent Skoler Lodge, No. 220, Independent Order Brith Abraham, urging that the programs over all the stations upon the 1,400 kilocycle wave band, and especially WARD, be permitted to continue in the future as it has in the past; to the Committee on Merchant Marine, Radio, and Fisheries.

4602. By Mr. FITZPATRICK: Petition signed by Michael J. Nolan, of 182 Ashburton Avenue, Yonkers, N.Y., and a number of other residents of Yonkers, N.Y., urging the passage of the McLeod banking bill; to the Committee on Banking and Currency.

4603. By Mr. FOSS: Petition of the One Hundred and Fourth United States Infantry Veterans' Association, American Expeditionary Forces, protesting against the circulation of certain seditious propaganda tending toward the undermining of historical, traditional, and hereditary patriotism, and demanding an investigation and action by the Federal authorities for its suppression; to the Committee on the Judiciary.

4604. By Mr. JAMES: Resolution of the L'Anse Band of Lake Superior Chippewa Indians of L'Anse, Mich., favoring the passage of the Wheeler-Howard bill (H.R. 7902); to the Committee on Indian Affairs.

4605. By Mr. KRAMER: Resolution from the Board of Supervisors of the County of Los Angeles; to the Committee on Roads.

4606. By Mr. LEHR: Petition of Scofield Local, No. 15, of the Farmers' Union, Monroe County, Mich., urging passage of the Frazier bill, the Wheeler bill, and the Swank-Thomas bill; to the Committee on Agriculture.

4607. By Mr. LINDSAY: Petition of Booker T. Washington Society of the Brooklyn Evening High School, Brooklyn, N.Y., urging enactment of the Wagner-Costigan antilynching bill; to the Committee on Labor.

4608. Also, petition of the Associated Highway Fence Builders of New York State, Buffalo, favoring the support of the Cartwright road bill (H.R. 8781); to the Committee on Roads.

4609. By Mr. KRAMER: Resolution from the City Council of the City of Bell, Calif.; to the Committee on Appropriations.

SENATE

FRIDAY, MAY 11, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings

of the calendar day of Thursday, May 10, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. FLETCHER. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hebert	Pittman
Ashurst	Costigan	Johnson	Pope
Austin	Couzens	Kean	Reynolds
Bachman	Cutting	Keyes	Robinson, Ark.
Bailey	Davis	King	Schall
Bankhead	Dill	La Follette	Sheppard
Barbour	Duffy	Lewis	Shipstead
Barkley	Erickson	Logan	Steiwer
Black	Fess	Lonergan	Stephens
Bone	Fletcher	McCarran	Thomas, Okla.
Borah	Frazier	McGill	Thomas, Utah
Brown	George	McKellar	Thompson
Bulkeley	Gibson	McNary	Townsend
Bulow	Glass	Metcalf	Trammell
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Clark	Hatch	O'Mahoney	Walsh
Connally	Hatfield	Overton	Wheeler
Coolidge	Hayden	Patterson	

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McAdoo] is absent because of illness; that the Senator from Georgia [Mr. Russell] is absent on account of a death in his family; and that the Senator from Louisiana [Mr. Long], the Senator from Illinois [Mr. Dieterich], and the Senator from South Carolina [Mr. Smith] are necessarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. HEBERT. I wish to announce that the Senator from Iowa [Mr. Dickinson], the Senator from Pennsylvania [Mr. Reed], the Senator from Indiana [Mr. Robinson], and the Senator from Maine [Mr. White] are necessarily absent from the Senate. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

PREVENTION OF USURY IN THE DISTRICT—MOTION TO RECONSIDER

Mr. BULKLEY. Mr. President, I desire to enter a motion to reconsider the vote by which the bill (S. 587) to amend section 1180 of the Code of Law for the District of Columbia with respect to usury was passed yesterday.

The VICE PRESIDENT. The motion will be entered.

CHIPPEWA INDIAN TREATIES—MOTION TO RECONSIDER

Mr. SHIPSTEAD. I desire to enter a motion to reconsider the vote by which the bill (S. 2980) to modify the effect of certain Chippewa treaties on areas in Minnesota was passed by the Senate on yesterday.

The VICE PRESIDENT. The motion will be entered.

PETITIONS AND MEMORIALS

Mr. COPELAND presented a resolution adopted by the Council of the City of New Rochelle, N.Y., favoring the passage of the bill (S. 3051) to provide for a preliminary examination and survey of Echo Bay, New Rochelle, N.Y., which was referred to the Committee on Commerce.

He also presented a petition of sundry citizens of New York City, N.Y., praying for the passage of the so-called "Lundeen bill", being the bill (H.R. 7598) to provide for the establishment of unemployment and social insurance, and for other purposes, which was referred to the Committee on Education and Labor.

He also presented petitions (sponsored by Dupont Rayon Workers' Local Union No. 2055, United Textile Workers of America), of sundry citizens of Buffalo, N.Y., praying for the passage of the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, which were referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens, being veterans of foreign wars and members of the One Thousand Three Hundred and Sixty-third Company (Veterans' Contingent), Civilian Conservation Corps, Camp P-69, at Chancellor, Va., praying for the enactment of legislation providing prompt payment of adjusted-compensation certificates (bonus) of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by Woodside Post, No. 886, American Legion, of Woodside, N.Y., protesting against the entrance of the United States into the League of Nations or the World Court, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by various councils of the Sons and Daughters of Liberty, all in the State of New York, protesting against the enactment of legislation loosening immigration restrictions, which were referred to the Committee on Immigration.

He also presented numerous resolutions adopted by various religious, fraternal, and other organizations, and petitions of sundry citizens, all in the State of New York, favoring and praying the amendment of proposed radio legislation so as to provide adequate broadcasting facilities for religious, educational, and agricultural subjects, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by employees of the Utica (N.Y.) post office favoring enactment, over the President's veto, of the bill (H.R. 7483) to provide minimum pay for postal substitutes, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens, being former post-office employees of New York City, who were recently dismissed from the service, praying for the passage of legislation reinstating them in the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

He also presented resolutions adopted by the Good Citizenship League, of Flushing, N.Y., favoring a senatorial investigation of profits made by munition makers, in the interest of peace, which were ordered to lie on the table.

He also presented a resolution adopted by the Presbytery of Brooklyn-Nassau, N.Y., protesting against the making of appropriations for construction of warships as authorized by the so-called "Vinson naval construction bill", and favoring measures in the interest of peace, which was ordered to lie on the table.

He also presented resolutions adopted by the Booker T. Washington Society of the Brooklyn Evening High School, of Brooklyn, and the Mount Vernon Branch, National Association for the Advancement of Colored People, of Mount Vernon, both in the State of New York, favoring the passage of the so-called "Wagner-Costigan antilynching bill", which were ordered to lie on the table.

He also presented a letter from Samuel W. Reyburn, president Associated Dry Goods Corporation, New York, N.Y., transmitting copy of an address delivered by him to the Sales Executives Club of New York, in opposition to the Securities Act of 1933 and the so-called "stock-exchange bill of 1934", which, with the accompanying paper, was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 1786) for the relief of Lucile A. Abbey, reported it with an amendment and submitted a report (No. 968) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 2242) for the relief of the Collier Manufacturing Co., of Barnesville, Ga., reported it with amendments and submitted a report (No. 979) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 2617) for the relief of the estate of Jennie Walton, reported it with amendments and submitted a report (No. 969) thereon.

He also, from the same committee, to which was referred the bill (S. 2768) for the relief of Mabel S. Parker, reported

it with an amendment and submitted a report (No. 970) thereon.

Mr. LA FOLLETTE, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3514. An act to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin (Rept. No. 972); and

S. 3515. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin (Rept. No. 973).

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (S. 2906) for the relief of Ransome Cooyate, reported it without amendment and submitted a report (No. 978) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2888. An act to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe (Rept. No. 982);

S. 2889. An act for the relief of certain Indians of the Fort Peck Reservation, Mont. (Rept. No. 983);

S. 2918. An act for the relief of N. Lester Troast (Rept. No. 984);

S. 3286. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands (Rept. No. 985); and

S. 3463. An act to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana (Rept. No. 986).

Mr. WHEELER also, from the Committee on Indian Affairs, to which was referred the bill (S. 2892) to amend existing laws prohibiting the introduction of intoxicating liquors within the Indian country to permit its use as a medicine by practicing physicians for patients of Indian blood, reported it with an amendment and submitted a report (No. 987) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 74) to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes, reported it without amendment and submitted a report (No. 988) thereon.

Mr. THOMPSON, from the Committee on Indian Affairs, to which was referred the bill (S. 2557) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians, reported it with an amendment and submitted a report (No. 977) thereon.

Mr. ASHURST, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2928. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto (Rept. No. 980); and

H.R. 8494. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on the Quinault Indian Reservation when it is in the interest of the Indian so to do (Rept. No. 981).

He also, from the Committee on the Judiciary, to which was referred the joint resolution (H.J.Res. 317) requesting the President of the United States of America to proclaim May 20, 1934, General La Fayette Memorial Day for the observance and commemoration of the one hundredth anniversary of the death of General La Fayette, reported it without amendment and submitted a report (No. 971) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (S. 3443) to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes, reported it without amendment.

Mr. BROWN, from the Committee on Interstate Commerce, to which was referred the bill (S. 3231) to provide a

retirement system for railroad employees, to provide unemployment relief, and for other purposes, reported it with an amendment and submitted a report (No. 974) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3502) authorizing the Oregon-Washington Bridge Commission to construct, maintain, and operate a toll bridge across the Columbia River at or near Astoria, Oreg., reported it without amendment and submitted a report (No. 975) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (H.R. 6179) to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes", reported it without amendment and submitted a report (No. 976) thereon.

PRESERVATION OF PRESENT SUPREME COURT CHAMBER

Mr. COPELAND, from the Committee on Rules, to which was referred the resolution (S.Res. 193, submitted by Mr. ROBINSON of Arkansas) authorizing that the room now occupied by the United States Supreme Court be preserved and kept open to the public, reported it with amendments, and the resolution was ordered to be placed on the calendar.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 10th instant that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 2313. An act providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska;

S. 2566. An act authorizing the conveyance of certain lands to the State of Nebraska;

S. 2825. An act to provide for an appropriation of \$50,000 with which to make a survey of the old Indian trail known as the "Natchez Trace", with a view of constructing a national road on this route to be known as the "Natchez Trace Parkway"; and

S.J.Res. 36. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1934, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 3588) for the relief of Samuel K. Yarnell; to the Committee on Naval Affairs.

By Mr. STEPHENS:

A bill (S. 3589) authorizing associations of producers of aquatic products; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 3590) to amend the act of May 9, 1934, entitled "An act to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act, and for other purposes"; to the Committee on Agriculture and Forestry.

A bill (S. 3591) for the relief of George A. Gerety; to the Committee on Naval Affairs.

A bill (S. 3592) granting a pension to Roman Quinones; and

A bill (S. 3593) granting an increase of pension to John R. Sawers; to the Committee on Pensions.

By Mr. LOGAN:

A bill (S. 3594) for the relief of the heirs of Burton S. Adams, deceased (with an accompanying paper); to the Committee on Claims.

By Mr. THOMAS of Utah:

A bill (S. 3595) to restore to the public domain portions of the Jordans Narrows (Utah) Military Reservation; to the Committee on Military Affairs.

By Mr. COPELAND:

A joint resolution (S.J.Res. 116) authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y.; to the Committee on Military Affairs.

By Mr. JOHNSON:

A joint resolution (S.J.Res. 117) authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte; to the Committee on Naval Affairs.

DIRECT LOANS TO INDUSTRY—AMENDMENT

Mr. BONE submitted amendments intended to be proposed by him to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, which were ordered to lie on the table and to be printed.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 3564) for the relief of Joseph S. Johnson, and it was referred to the Committee on Claims.

REGULATION OF PETROLEUM INDUSTRY—CHANGE OF REFERENCE

Mr. THOMAS of Oklahoma. Mr. President, on April 30, at the request of the Secretary of the Interior, I introduced a bill, Senate bill no. 3495, to regulate commerce in petroleum, and for other purposes.

The bill, in the regular course, was referred to the Committee on Interstate Commerce. The chairman of that committee, the Senator from Washington [Mr. DILL], is very busy and is unable to get to the point where he can have hearings on the bill. The Secretary of the Interior is very much interested in having the bill considered. I have spoken to the Senator from Washington, and it is agreeable to him to have the bill withdrawn from his committee. I have also spoken to the Chairman of the Committee on Mines and Mining, the Senator from Kentucky [Mr. LOGAN]. It is agreeable to him to receive the bill.

I, therefore, ask unanimous consent that the bill be withdrawn from the Committee on Interstate Commerce and referred to the Committee on Mines and Mining.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the bill (S. 3170) to revise air-mail laws, with amendments, in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On May 9, 1934:

S. 2922. An act to amend the act entitled "An act to promote the circulation of reading matter among the blind", approved April 27, 1904, and acts supplemental thereto; and

S. 2966. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Province of Maryland.

On May 10, 1934:

S. 2460. An act to limit the operation of statutes of limitations in certain cases.

MONETARY USE OF SILVER

Mr. BORAH. Mr. President, there appeared in yesterday's New York Herald Tribune an article by Walter Lipp-

mann on silver. I think it ought to go in the RECORD. I desire to read, however, a single paragraph from it:

The reason why the single gold standard worked as well as it did was that there were huge gold discoveries during the nineteenth century, and also because the development of modern banking caused the available gold to be used more efficiently. But the single gold standard has never worked well for any long period. From the seventies to the nineties it was unsatisfactory and in very bad repute. After that and until the World War it worked well, for there was much new gold from South Africa. Since the war it has never worked well, and it is perhaps no coincidence that the world depression began about a year after it was reestablished throughout the western world.

It is theoretically possible that there is enough gold in the world to sustain a tolerable price level, if the existing gold stocks were properly distributed and efficiently used, if no gold were sterilized by central banks or hoarded by individuals. But the fact is that gold is concentrated in three countries, that much of it is sterilized or hoarded. This has made gold abnormally valuable in terms of goods, which is another way of saying that world prices are abnormally low.

I ask that the entire article be published in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, May 10, 1934]

TODAY AND TOMORROW—SILVER

By Walter Lippmann

Whatever view one takes of the silver policy that is now being formulated, there is no reason to be astonished that there is to be a silver policy. In his message of January 15 the President made it quite plain that the gold bill was only "a further step which we hope will contribute to an ultimate world-wide solution" and that he was then "withholding any recommendation to the Congress looking to further extension of the monetary use of silver, because I believe we should gain more knowledge of the results of the London agreement and of our other monetary measures." But he left no doubt that he regarded silver as "such a crucial factor in much of the world's international trade that it cannot be neglected."

Since that declaration it has been certain that there would be a silver policy. There has been uncertainty as to what form it would take, when it would be adopted, how it would be applied. For there are as many different theories about silver as there are about gold. What appears to have happened in the past week is that the President has succeeded in formulating a program which he believes can be successfully administered.

The essential principle of the program, as indicated by the newspaper reports from Washington, is that silver is to be transformed in the United States from a commodity like coffee or zinc into a monetary instrument like gold. This is not a mere matter of raising the price of silver so that silver miners will have more income. It is not a price-raising scheme such as is being used to help wheat, cotton, or hogs. This is a change in the legal status of silver which establishes it as basic money in the United States.

For that reason it will, if adopted, mark an epoch in the history of money. Its effects will be world-wide. For it reverses the course of monetary policy during the past hundred years.

From the close of the Napoleonic wars to the onset of the present depression, silver, which from time immemorial has been money, has been progressively demonetized in one country after another. Step by step the single gold standard has been set up practically everywhere except in China. England was the first great country to abandon silver. That was, I believe, in 1819. Until 1873 England was the only important country on the single gold standard. Then Germany and the United States gave up silver in 1873. By 1878 the Latin Union had given it up. Also the Scandinavian countries. In 1893 the free coinage of silver was discontinued in British India. After the war virtually all the European countries which used silver for small change debased their coins. In the middle twenties India began to get rid of some of its silver. In 1929 a delegation of experts advised China to turn from silver to gold, though that has not been done. Thus for more than a hundred years the world has been engaged in discarding an important part of its monetary metal, namely silver, and has been proceeding to base all currencies and the whole credit of the world on gold alone.

The reason why silver was abandoned in the nineteenth century is that it could not be kept in a practical ratio with gold. In terms of gold it was either too dear or too cheap. If it was too dear, silver went out of circulation; if it was too cheap, gold went out of circulation. Bimetallism did not work, and because nobody knew any other way of using silver and gold except at some fixed ratio, silver was given up.

The reason why the single gold standard worked as well as it did was that there were huge gold discoveries during the nineteenth century and also because the development of modern banking caused the available gold to be used more efficiently. But the single gold standard has never worked well for any long period. From the seventies to the nineties it was unsatisfactory and in very bad repute. After that and until the World War it worked well, for there was much new gold from South Africa. Since the

war it has never worked well, and it is perhaps no coincidence that the world depression began about a year after it was reestablished throughout the western world.

It is theoretically possible that there is enough gold in the world to sustain a tolerable price level, if the existing gold stocks were properly distributed and efficiently used, if no gold were sterilized by central banks or hoarded by individuals. But the fact is that gold is concentrated in three countries, that much of it is sterilized or hoarded. This has made gold abnormally valuable in terms of goods, which is another way of saying that world prices are abnormally low.

The fundamental monetary problem of the world is to deflate gold, to reduce the demand for it or to increase the supply of it, so that prices in terms of gold will rise. It is to this problem that the silver policy is addressed. By restoring silver to the status of money in the United States the weight of America will be exerted to break down the monopoly value of gold. Just as gold became more valuable when silver was demonetized, so it is expected that gold will become less valuable when silver is remonetized. It is the belief of the silver people that America's position in the world is sufficiently strong to exert an immense influence on the value of gold. But naturally they hope that other countries will follow suit in restoring silver either on their own initiative or by international agreement.

The question arises: Just how is this thing to work? That cannot be answered definitely until the actual bill is made public. But presumably the principle would be about as follows: The Treasury would stand ready to buy silver from the world at a certain price and in large amounts. How would it pay for that silver? It would pay in gold. It now has more gold than it knows what to do with. So, in substance, the American Government would be selling gold for silver. By the law of supply and demand this should reduce the value of gold and raise the value of silver.

In practice the matter is, of course, not simple at all, and there are many practical difficulties to be overcome. In fact, it may be said that the success or failure of the policy will depend on whether the system is properly or improperly set up. For that reason it cannot be too strongly insisted that the legislation should be introduced, should be submitted to critical discussion, and should under no circumstances be passed in a hurry. Those who are most thoroughly convinced that it is desirable to remonetize silver should be the first to ask for very careful scrutiny of the manner in which it is to be done. They ought not to forget that silver became demonetized in the world because it was improperly adjusted to the monetary system of modern nations. In restoring it, the lessons of the past should not be forgotten.

PHILIPPINE CONSTITUTIONAL CONVENTION

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Territories and Insular Affairs, as follows:

To the Congress of the United States:

I transmit herewith for your information a copy of a radiogram from the Governor General of the Philippine Islands dated May 9, 1934, quoting the text of a bill passed at the special session of the Ninth Philippine Legislature entitled "An act to provide for the election and holding of the constitutional convention authorized by the act of the Congress of the United States of March 24, 1934, appropriate funds therefor, and for other purposes."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 10, 1934.

REGULATION OF SECURITIES EXCHANGES

The Senate resumed the consideration of the bill (S. 3420) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes.

Mr. STEIWER. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. STEIWER. Yesterday late in the afternoon I offered an amendment, which is printed at page 8507 of the RECORD. I note that the Presiding Officer in disposing of the matter made the statement that the amendment "will be printed and lie on the table." I did not intend the amendment to be printed and lie on the table. I inquire whether the amendment which I offered is the pending question?

The VICE PRESIDENT. The Chair is advised that in the confusion of the moment in the presentation of the amendment by the Senator from Oregon it was understood that the RECORD should show that the amendment was offered by the Senator from Oregon to be printed and lie on the

table. Apparently the RECORD discloses that the amendment offered by the Senator from Wisconsin [Mr. DUFFY] is the pending amendment, but the Chair thinks the amendment of the Senator from Oregon ought to be held to be before the Senate for consideration. Unless there is objection, the Chair holds that to be the parliamentary situation, and that the amendment of the Senator from Oregon is the first amendment to be considered this morning.

Mr. FLETCHER. Mr. President, I have no objection to that course.

The VICE PRESIDENT. The question, then, is on the amendment of the Senator from Oregon [Mr. STEIWER].

Mr. KEAN. Mr. President, I send to the desk an amendment which I desire to offer. I have before me a letter from the Federal Coordinator of Transportation approving the object sought to be attained by the amendment. I also have several letters from railroads asking that they be excluded from the requirement as to making reports to the proposed new commission. If the chairman of the committee will accept my amendment, I shall simply ask to have the letters inserted in the RECORD without taking further time. I ask that the clerk read my amendment.

The VICE PRESIDENT. Without objection, the Senator's amendment will be read for the information of the Senate, but the amendment of the Senator from Oregon [Mr. STEIWER] is the pending amendment. The Chair thinks that then the amendment of the Senator from Wisconsin [Mr. DUFFY], in view of the RECORD this morning, should be considered as the next amendment in order.

Mr. KEAN. I submitted my amendment yesterday morning.

The VICE PRESIDENT. That does not make any difference. There are many amendments which have been printed and are lying on the table, but none of them have preference except by recognition of the Chair. Does the Senator from New Jersey desire his amendment read now as a prelude to his remarks to the Senate?

Mr. KEAN. I do not. It may lie on the table for the present.

Mr. FLETCHER. Mr. President, the Senator from New Jersey presented his amendment, but he did not actually offer it at the time. There was some other matter pending at the time. The amendment has been presented, but it has not as yet been formally offered. However, I have no objection to the Senator discussing it just as if it had been offered.

Mr. KEAN. I merely want to say to the distinguished Senator from Florida that I have the approval not of the amendment but of the principle of the amendment of the Coordinator of Railroad Transportation appointed by Mr. Roosevelt. I also have the approval of counsel for all the railroads in the United States and also some individual letters of approval, all of which bear on the matter. As the railroads were omitted from the operation of the Securities Act, on the theory that they already made full reports to the Interstate Commerce Commission, I think it is but fair

that they should be excluded from the provisions of this bill.

Mr. President, I offer the following amendment.

The VICE PRESIDENT. The Senator's amendment is not in order at this time. It may be read merely for information. Does the Senator desire the amendment read for information?

Mr. KEAN. Yes; let it be read and lie on the table.

The VICE PRESIDENT. The clerk will read the amendment for information.

The LEGISLATIVE CLERK. On page 34, line 17, after the words "United States", it is proposed to insert the words "or any State."

Mr. FLETCHER. That is the same as the amendment of the Senator from Wisconsin [Mr. DUFFY], is it not?

Mr. KEAN. That is a provision which was adopted by the House and is in the House bill. I simply want to have it incorporated in the Senate bill.

Mr. President, this is the fifth print we have had of the bill. Many of the clauses still in it are going to be of great aid to bucket shops. Bucket shops are reopening all over the country owing to the prospect of this bill being passed. The brokers of the United States during the last 3 years have lost large sums of money. I have a letter which I should like to place in the RECORD from George D. Bonbright & Co., of Rochester, N.Y., enclosing a statement of their earnings for the past 6 years. I ask that the letter may be inserted in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GEORGE D. B. BONBRIGHT & Co.,
Rochester, N.Y., May 7, 1934.

HON. HAMILTON F. KEAN,
United States Senate, Washington, D.C.

MY DEAR SENATOR KEAN: In these days when there are so many misstatements going around, it occurred to me you might like to have some explanation from a reliable source as to just what Mr. Pecora's recent figures on members stock-exchange earnings really mean.

While I have no way of being absolutely sure, I feel that there is a fair chance that my statements show a cross section of the commission brokers of the country.

The figures to which I especially want to draw your attention are the amount of money divided among my six partners, compared to the amount of money paid out to my employees, and the amount of money collected by the Federal Government and the State government on that year's business. When the figures were finally shown me, I was impressed with the fact that this business has been largely run, I think, for the benefit of my employees. They have steadily received more for their work than was received by the partners. In the case of 1931, they received over \$81,000, against the firm's profits of \$16,000—about 5 to 1.

I thought it was also interesting as showing what the Government has received on my small business.

I most sincerely wish there were some way of bringing home to our Representatives in Washington what their proposed changes will really mean to the country. It would seem to me, in my own small case, that it would either require that I give up business altogether, or revamp my firm and business in such a way as to reduce very materially the number of my employees.

Respectfully submitted.

Sincerely yours,

GEORGE BONBRIGHT.

Earnings of the stock exchange firm of George D. B. Bonbright & Co. as published by Mr. Pecora
[Analysis in detail]

Year	Gross income	Number of employees	Employees' dependents	Salaries paid to employees	Overhead	Net profit	Approximate Government income and transfer taxes	Approximate State income and transfer taxes
1928	\$488,713.18	41	37	\$52,871.20	\$96,116.22	\$339,725.76	\$100,000	\$90,000
1929	559,096.96	89	63	117,996.63	368,947.14	72,153.14	70,000	55,000
1930	314,507.22	71	55	97,905.76	190,608.09	25,993.37	75,000	63,000
1931	184,266.82	64	51	81,516.71	85,771.18	16,978.93	70,000	60,000
1932	122,885.80	38	33	52,159.10	55,876.23	14,850.47	55,000	40,000
1933	273,778.43	69	73	91,915.62	97,094.27	84,828.54	80,000	70,000
Total	1,943,248.41	372	312	494,365.02	894,353.18	554,530.21	450,000	348,000
Average	323,874.73	62	52	82,394.17	149,058.86	92,421.70	75,000	58,000

Kindly refer to the following paragraphs for further explanation.

Figures pertaining to the income of this firm for the years 1928 to 1933, inclusive, as published by Mr. Pecora, omit the following pertinent facts, namely, that during these years this firm employed an average of 62 people annually. These employees in turn had 52 persons dependent upon them for support, so that during

all these years 114 individuals annually received their livelihood through their association with this firm. Salaries paid to these employees during this period averaged \$82,400 per year.

Transactions made through this office netted to the Federal Government an average of approximately \$75,000 per annum, in

customers' transfer taxes and income taxes paid by partners and those employed. The State of New York derived from this same source during this same period an average of approximately \$58,000 per annum. Other expenditures made by this firm, inclusive of overhead for these 6 years, averaged \$149,000 per year.

This left an average profit of \$92,000 per year remaining to be divided between six partners, who received no other compensation whatever and whose cash investment during this same time averaged more than \$1,000,000. This shows a profit yield on invested capital of approximately only 9.2 percent.

These figures include the year 1928, when the firm profit was \$339,726. Ignoring this 1 year, the average earnings for the following 5 years were \$42,961. During the years 1929 to 1933, inclusive, when the net profit of the firm averaged only \$42,961 per annum to be divided between six partners, salaries paid to employees averaged \$88,299, or, in other words, the total salaries paid to employees during this period averaged more than 205 percent of the amount received by the partners.

Mr. KEAN. Mr. President, I ask that the other letters to which I have referred be printed in the RECORD at this point in connection with my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL COORDINATOR OF TRANSPORTATION,
Washington, May 4, 1934.

HON. HAMILTON F. KEAN,
United States Senate.

MY DEAR SENATOR: I have your letter of April 30 in which you say that the railroads are worried about sections 12 and 13 of the securities exchange bill, and you ask me whether I think they should be excluded from the act. I find it difficult to answer this question, because I know so little about this bill and the reasons urged for its various provisions.

Section 13 relates to the soliciting and giving of proxies with respect to any security registered on any national securities exchange. This is a matter which is not covered by existing regulatory laws relative to the railroads. If there is need for such provisions as are contained in this section, I know of no reason why they should not apply to railroads as well as to other companies whose securities are registered on a national securities exchange.

Section 12 gives the Federal Trade Commission rather broad authority to require information and reports from companies whose securities are listed on a national securities exchange. In view of the regulation of railroad accounts by the Interstate Commerce Commission and the reports which that Commission requires from railroads, I should doubt the need for applying section 12 to the railroads. However, I am not informed as to the reasons for the section, and it may be that in connection with transactions in railroad securities on national securities exchanges, it is thought that information is needed which is not contained in the reports filed with the Interstate Commerce Commission. Or it may be thought that it is desirable for the Federal Trade Commission, in connection with securities, to have on hand reports from railroads which are practically duplicates of those filed with the Interstate Commerce Commission.

I should suppose that the Federal Trade Commission would not go much beyond requiring such duplication of Interstate Commerce Commission reports. In that event the burden upon the railroads would not be substantial. About all that I can say is that I greatly doubt the need for making section 12 applicable to the railroads, but that I hesitate to express any positive opinion on the matter, because of my unfamiliarity with the entire bill and the purposes which it is intended to serve.

Respectfully yours,

JOSEPH B. EASTMAN.

S. 3420, a bill to provide for the regulation of stock exchanges and over-the-counter markets, has been reported to the Senate and is accompanied by a report prepared by the chairman of the committee.

It is the purpose of this memorandum to call attention to the injustice of applying to railroad securities the provisions of sections 12 and 13 of this bill. The general counsel of the Association of Railway Executives made a timely appearance before the Senate Committee on Banking and Currency at the time when a previous draft was under consideration and pointed out the injustice of requiring railroads to make extensive reports and keep expensive records which were mere duplications of reports and records now required by the Interstate Commerce Commission, to which all railroad companies report.

The bill now before the Senate permits securities to be registered on a national securities exchange, but requires the issuer of these securities to furnish a mass of information, set out on pages 29 and 30 of the bill. The information required covers—

(a) The organization, financial structure, nature, and operations of the business.

Under the provisions of the interstate commerce law and the orders of the Interstate Commerce Commission, all this information is furnished by each railroad in its annual report to the Interstate Commerce Commission.

(b) The terms, position, rights, and privileges of the different classes of securities outstanding.

While this information is not called for in annual or other reports, yet the Bureau of Finance of the Interstate Commerce Commission requires every carrier making application to the Commission for authority to issue or reissue stocks or bonds to give

this information in great detail. Since practically every railroad has at some time or other applied to the Commission for authority to issue securities, the Commission is already furnished with complete information as to the matters required in subsection (b).

(c) The terms on which their securities have been or are to be offered to the public.

This information is also given in reports to the Bureau of Finance, as set out in our comment upon (b) above.

(d) The directors, officers, and underwriters, and each security holder of record holding more than 10 percent of any class of any equity security of the issuer (other than an exempted security), their remuneration and their interests in the securities of, and material contracts with, the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer.

In the annual report to the Interstate Commerce Commission, on page 103, railroads are required to give the names, addresses, terms of office, etc., of directors and principal general officers. On page 109 of the annual report they must give the total number and voting power of stockholders and names, addresses, and holdings of the 20 largest stockholders. All contracts are reported to the Interstate Commerce Commission, and digests or copies of important contracts and agreements made each year are listed and described on page 529 of the annual report.

(e) Remuneration to others than directors and officers exceeding \$20,000 per annum.

Railroads are required, on page 526 of their annual report, to give the compensation of officers and directors receiving \$10,000 or more per year, and on page 527 of the annual report railroads must give similar information as to retainers, commissions, fees, bonuses, allowances for expenses, etc.

(f) Bonus and profit-sharing arrangements.

All this is fully covered in various parts of the annual report, and particularly page 527, which, as stated above, covers bonuses, allowances for expenses, commissions, fees, etc.

(g) Management and service contracts.

As heretofore stated, the reports to the Interstate Commerce Commission cover contracts. See page 529 of the annual report.

(h) Options existing or to be created in respect of their securities.

This is one feature which does not seem to be covered by the annual report, but in the case of railroads it is respectfully submitted that the matter is not important.

(i) Balance sheets for not more than the 3 preceding fiscal years, certified if required by the rules and regulations of the Commission by independent public accountants.

Railroads are required to report their balance sheets on pages 200 and 201 of their annual report to the Interstate Commerce Commission. In view of the fact that railroad accounting is so carefully regulated and that all accounts are kept in accordance with the Interstate Commerce Commission's rules and have been for many years, it is respectfully submitted that there is no occasion for the railroads to undergo the expense of reports from independent public accountants.

(j) Profit-and-loss statements for not more than the 3 preceding fiscal years.

Profit-and-loss accounts of the railroads are shown on page 300 of the annual report to the Interstate Commerce Commission.

(k) Copies of articles of incorporation, bylaws, trust indentures, or corresponding documents by whatever name known, underwriting arrangements, and other similar documents of the issuer, etc.

All of these, as we have stated above, are covered by reports to the Interstate Commerce Commission.

Turning now to section 13, which calls for periodic and other reports, it is clear from what has been stated above that the reports now required from the carriers cover every possible phase of railroad operation and railroad finance.

As a matter of fact, under existing law, a study made a few years ago discloses that railroads are required to make 13 types of report to the United States Post Office Department, 18 types of report to the United States Treasury Department, 4 types of report to the United States Department of Commerce, 14 types of report to the United States Geological Survey, 28 types of report to the United States Railroad Administration, 8 types of report to the United States Department of Agriculture, 5 types of report to the United States Labor Board, 2 types of report to the United States Bureau of Mines, 4 types of report to the United States War Department, 1 report to the Allen Property Custodian, 220 types of report to the several regulatory commissions and local boards, and 90 separate types of report to the Interstate Commerce Commission.

It is respectfully submitted that there are, therefore, already in the files of the Government, in one department or another, all the information which could possibly be of service in enabling the Federal Securities Exchange Commission to judge of the value of railroad securities.

It is true that paragraph (c) of section 12 provides:

"If in the judgment of the Commission any information required under subsection (b) is inapplicable to any specified class or classes of issuers, the Commission shall require in lieu thereof the submission of such other information of comparable character as it may deem applicable to such class of issuers."

This clause is not likely to relieve the railroads from the duty of submitting all the registration statements required by section 12, because it cannot be said that the information is inapplicable

to securities issued by a railroad. The trouble is that the provisions of the bill call for expensive and burdensome duplication of reports and efforts.

Referring again to section 13, and particularly paragraph (b) on page 34, the Federal Securities Exchange Commission is given authority to control the items or details shown in the balance sheets and the earnings statements of companies issuing securities and the methods to be followed in the preparation of reports, in the appraisal or valuation of assets and liabilities, determination of depreciation and depletion, and matters of this sort, which are essential features of the accounting system.

As is well known, the Interstate Commerce Commission prescribes in intimate detail the type of accounts which are kept by the railroads, and certainly there should be no conflict between the two.

It is true that the Senate bill contains a clause: "But in the case of the accounts of any person whose accounting is subject to the provisions of any law of the United States, or any rule or regulation thereunder, the rules and regulations of the Commission with respect to reports shall not be inconsistent with the requirements imposed by such law or rule or regulation in respect of the same subject matter." We call attention, however, to the fact that House bill 9323, as now reported, goes further and provides: "Except that this provision shall not be construed to prevent the Commission from imposing such additional requirements with respect to such reports, within the scope of this section and section 11, as it may deem necessary for the protection of investors." (Please note that in the House bill section 11 deals with registration and section 12 with reports, whereas in the Senate bill section 12 deals with registration and section 13 with reports.)

In both the Senate and House bills the Commission created by the Federal Securities Exchange Act is given authority to require reports in addition to those required by the Interstate Commerce Commission, and may prescribe types and forms of accounting which would be supplemental to and in addition to the types and forms now covered by the elaborate requirements of the Interstate Commerce Act.

It seems to us that all this is unnecessary. By subsection (12) of section 3 certain securities are exempted from certain provisions of the act. It will be noted by examining this subsection that exempted securities include securities which are direct obligations of the United States, securities issued or guaranteed by corporations in which the United States has a direct or indirect interest, securities which are direct obligations of a State or any political subdivision thereof, or any agency or instrumentality of a State, "and such other securities (including unregistered securities, the market in which is predominantly intrastate) as the Commission may, by such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions or for stated periods, exempt from the operation of any one or more provisions of this act which by their terms do not apply to an 'exempted security' or to 'exempted securities.'"

It will be noted that certain provisions of this bill apply to exempted securities. Certain other provisions do not apply to exempted securities. I think you will find upon examining the bill that the public interest will be served by inserting in subsection (12), after the exemption of governmental securities, the words: "or any securities issued by corporations subject to section 20a of the Interstate Commerce Act."

Such an amendment would not interfere with regulation of dealings on the stock exchange, but would relieve the railroads from the burden and expense of making these unnecessary reports as to matters already covered in the numerous reports which the carriers are required to make to the Interstate Commerce Commission.

Mr. KEAN. At the proper time I should like to take up several other amendments I have prepared, but apparently this is not the proper time to do so. Therefore, I yield the floor and allow consideration of the bill to proceed.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. STEIWER].

The amendment was rejected.

The VICE PRESIDENT. The question now is on the amendment of the Senator from Wisconsin [Mr. DUFFY].

Mr. STEIWER. Mr. President, I think there was some misunderstanding in voting down the amendment offered by me when the question was put just now. I understood from the chairman of the committee that he accepted it. I was talking to the Senator from South Carolina [Mr. BYRNES] privately, and he told me he was agreeable to the amendment.

I think there is almost a unanimous agreement among the members of the committee regarding the amendment. I have not taken the opportunity so far to explain it to the Senate, so in that I probably am at fault. I am wondering if we may not have unanimous consent to reconsider the vote just had in order that I may make a brief explanation of the amendment.

Mr. FLETCHER. I think that should be done, Mr. President.

The VICE PRESIDENT. Is there objection to the reconsideration of the vote whereby the amendment of the Senator from Oregon was rejected? The Chair hears none, and the amendment is before the Senate.

Mr. STEIWER. Mr. President, I do not desire to detain the Senate long with respect to the amendment. Its only purpose is to exempt the railroads from the provisions of sections 12 and 13 of the pending bill.

As Senators know, the railroads are already under the very strict regulation and the very close control of the Interstate Commerce Commission. The Interstate Commerce Act not only provides that the Commission shall prescribe their accountancy but it permits the Commission to send field agents and examiners to examine their books and records; and such examinations are constantly made. Some reports are required, I think, as frequently as every month. The securities issues of the railroads are absolutely controlled in that the Interstate Commerce Commission has a veto power over their proposed security issues.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. STEIWER. Yes; I yield.

Mr. BYRNES. Do I understand that the amendment under consideration applies only to the railroads?

Mr. STEIWER. That is true.

Mr. BYRNES. It is not the additional amendment to which the Senator has referred?

Mr. STEIWER. No. I had considered adding a second clause to the amendment, but it has not as yet been offered.

Mr. BYRNES. I only desire to say to the Senator that I have no objection to the adoption of the amendment which he offered on yesterday and which was shown to the chairman of the committee at that time.

Mr. STEIWER. I thank the Senator; and I am hoping, if the chairman of the committee will express his approval also, that we may have concurrence in the amendment, and save time in debate. Otherwise I shall desire to take considerable time in which to present to the Senate this very important amendment.

Mr. FLETCHER. Mr. President, I do not think that is necessary. The Senator suggested yesterday that he might want to add something to the amendment, and I was not quite clear whether or not he proposed to stand on the amendment he then suggested. If he does, I think we can agree on the amendment. That is to say, we will make no opposition to the amendment. The fact is, I rather thought the situation was covered by the present provisions of the bill.

The railroad companies cannot issue securities without the approval of the Interstate Commerce Commission, as I understand. They have to make reports to the Interstate Commerce Commission. I thought other provisions of the bill would enable them to be exempt from this sort of thing as far as the proposed new commission is concerned, and that that was provided for; but I have no objection to the Senator's amendment.

The VICE PRESIDENT. Without objection, the amendment offered by the Senator from Oregon is agreed to.

Mr. BARKLEY. Mr. President, that is the amendment offered yesterday? It is not the additional sentence that has been put into the printed copy?

Mr. STEIWER. I had not offered the additional language, and I shall not do so until the members of the committee have further time to give consideration to it. The Senate merely acted upon the amendment as offered last night.

Mr. FLETCHER. In other words, the amendment will read:

Provided, That carriers subject to the provisions of section 20a of the Interstate Commerce Act, as amended, shall not be subject to any provision of sections 12 and 13 of this act, except that the Commission may require that such carriers file with it duplicate copies of reports or other documents filed with the Interstate Commerce Commission.

Mr. STEIWER. That is correct.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Wisconsin [Mr. DUFFY], which will be stated.

The LEGISLATIVE CLERK. On page 34, line 17, after the words "United States", it is proposed to insert the words "or of any State."

Mr. DUFFY. Mr. President, last evening, when the Senate adjourned, I was explaining that this matter was brought to my attention by the chairman of the executive committee of the National Association of Railroad and Utilities Commissioners, who happens to be a man from my State who for many years has been on the Wisconsin Public Service Commission.

We have had, as part of that commission, a very efficient and well-working division that handles matters such as are contemplated in a large measure under this bill as far as these reports are concerned. Their fear is—and there are 35 States, I understand, that have similar commissions—that the proposed new commission could very readily require other forms of reports than the form of report which they have had for many years, dealing primarily with intrastate matters, because the new commission is not required to eliminate matters that are intrastate in their general scope. They may do so, but there is no way in which they can be compelled to do so; and these various public-service commissions which have securities divisions feel that this would cause a great deal of confusion so far as many reports they have required for some years past are concerned.

I understand that the Senate committee thought that the amendment might lead to various kinds of reports coming in to the Commission; but it does seem to me that the various State commissions will be dealing in a very large measure with such matters as they have dealt with in the past, and that it would be better to grant that exception.

Mr. FLETCHER. Mr. President, I may say that the committee considered very carefully a proposal of this kind, and spent a good deal of time on it. In view of the fact that so many States have so many different requirements and rules with reference to this matter, we concluded to leave out this language. I believe it is in the House bill. Consequently, the matter will be in conference anyway, and I think we had better reject this amendment.

Mr. NEELY. Mr. President, last Wednesday the Senate rejected an amendment relative to the extension of credit for the purpose of marginal trading offered by the Senator from Ohio [Mr. BULKLEY], which appears on page 8386 of the RECORD. During the reading of the amendment and the debate thereon I was in the Senate reception room conferring with constituents concerning a matter in which they were deeply interested. When notified that the Senate was voting, I entered the Chamber. But I was obliged to cast my vote before it was possible for me to read the amendment. Under an erroneous impression as to the effect of the amendment, I voted against it. Last night I found and improved an opportunity to read the amendment and also a part of the discussion of its merits. I have become convinced that the amendment is thoroughly meritorious and that the best interest of all the people demands that it be adopted. Therefore, in the hope of obtaining an opportunity to support the amendment, I now enter a motion to reconsider the vote by which it was defeated.

The VICE PRESIDENT. The motion will be entered.

Mr. McNARY. Mr. President, as I understand, the pending amendment is the one offered by the Senator from Wisconsin [Mr. DUFFY].

The VICE PRESIDENT. It is.

Mr. McNARY. What was the observation of the Senator in charge of the bill? Did he accept the amendment?

Mr. FLETCHER. I think we should reject the amendment, because, as I say, this language is in the House bill, and it will be in conference anyway. We oppose the amendment on the ground that so many States require so many different rules and regulations that it is impossible to know just what the amendment would cover.

We oppose the amendment.

Mr. KEAN. Mr. President, speaking for the pending amendment, I should like to say that there are only four States in the Union which do not require public utilities to make detailed reports of their affairs to the States. Therefore, this amendment should be adopted, because in many States, as in my State, every public utility is required to make a report practically on the lines of the Interstate Commerce Commission reports.

Mr. BYRNES. Mr. President, I hope this amendment will not be agreed to.

The language of this section provides that the Commission shall have power to prescribe the form in which certain information shall be set forth. The purpose of the amendment is to eliminate from the provisions of the section corporations in any State which are required to submit reports to State commissions. The amendment would absolutely nullify the provisions of the section. It would destroy the purpose of the section in giving to the Commission power to prescribe the form in which information necessary for the protection of investors shall be filed.

After the enactment of the bill it is all the more important that there should be in the Commission the authority provided in this section. An investor will rely upon uniformity of information as to appraisal, as to depreciation and depletion; and if, relying upon that, the bill is so changed as to permit the filing of statements lacking in such uniformity, it will result, as I say, in deception to the investor, and will destroy the very purpose of the section.

Mr. KEAN. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from New Jersey?

Mr. BYRNES. I yield.

Mr. KEAN. In reply to the Senator from South Carolina I should like to say that his State is one of the few States whose public-service commissions do not require public utilities to file accounts. In addition to that, our experience with the Federal Trade Commission is that the one company which has incurred the expense involved in making lengthy reports to the Federal Trade Commission is the American Waterworks Co.; and I am informed that when a small investor wrote to the Commission and asked for a copy of their report, they said, "If you will send us \$265, we will send you the report."

I think it is perfectly self-evident that if a small investor who perhaps has a \$1,000 interest wants a report, he is not going to pay \$265 for it. Therefore, so far as the public are concerned and so far as the small investor is concerned, the report is absolutely useless. From my experience, and from what I hear of the Federal Trade Commission, I do not think they are of any use to the small investor, whom they were supposed to protect.

Mr. BYRNES. Mr. President, I cannot exactly answer the question of the Senator from New Jersey.

Mr. KEAN. No; the Senator cannot.

Mr. BYRNES. I presume it was a question. I know the position of the Senator, that he does not think the Federal Trade Commission is accomplishing a very useful purpose, and I know his views with reference to public utilities. When he mentions public utilities, he refers to a field which best illustrates the necessity for this provision and the power it confers.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BYRNES. I will yield as soon as I finish this thought. In many of the States public utilities are not called upon to make the fullest reports. Certainly they make reports in different forms, and the purpose of this section is to give the Commission the power to remedy such situations as have existed in the field of public utilities. Counsel for the Federal Trade Commission, when appearing before the committee, cited several illustrations which justify the purpose of the proposed act.

I will say to the Senator from Wisconsin that I do not believe that the officials of the various States are going to object to the enactment of this provision. All this section does is to give to the Commission the right to prescribe the

form, in the preparation of reports and in the appraisal and valuation of assets and liabilities, in an attempt to secure statements which will be uniform as to depreciation and depletion. Some corporations have prepared statements, and by juggling the figures in connection with depreciation, have stayed in the black when they should have been in the red, when if a correct statement had been made, the investor would have known the true value, or approximately the true value, of the securities, and would not have lost his money. The object of this section is to make for uniformity.

I now yield to the Senator from Wisconsin.

Mr. DUFFY. At least the Senator cannot say, with reference to my record and my votes, that I have shown any exceptionally friendly attitude toward public utilities such as he suggested with reference to the Senator from New Jersey. I have voted on every occasion in favor of strict regulation of public utilities. I supported, for instance, the Johnson bills. Certainly what has been suggested as to the Senator from New Jersey is not my purpose in offering this amendment.

Mr. BYRNES. I know that to be true, and any statement or intimation otherwise I would be the first to say was inaccurate. The statement I made to the Senator from New Jersey was only prompted because the Senator from New Jersey mentioned the probable effect of this section upon public utilities, and I was describing how it would affect public utilities.

Mr. DUFFY. I want to have it made very clear for the RECORD that I have consistently at every opportunity that has been afforded since I have been a Member of this body voted for strict regulation, and if the Senator will read the last part of the amendment which was suggested, which makes it correspond with the House bill, he will find that it provides:

Except that this provision shall not be construed to prevent the Commission from imposing such additional requirements with respect to such reports, within the scope of this section and of section 12, as it may deem necessary for the protection of investors.

This certainly shows that there was not anything in my mind except that I believe that men like Mr. McDonald, of the Wisconsin Public Service Commission, and others who have been regulating and are experienced in these matters as they have been in Wisconsin have the practical experience, so that when they assert it to be their conclusion that it would cause hardship to them unless this amendment were adopted, certainly I am sure it is shown that there is no intention to favor groups which will have to make reports under this section.

Mr. BYRNES. Mr. President, I want to repeat that not only would there be no statement by me that the amendment offered by the Senator from Wisconsin was offered in behalf of the public utilities, or anybody interested in them, and certainly there was no intimation to that effect, but I know that such an intimation would be untrue, because I know the Senator's viewpoint.

I was simply pointing out, in answer to the statement of the Senator from New Jersey, who first suggested the effect it would have upon public utilities, that that matter had been discussed before the committee, and that the counsel for the Federal Trade Commission had cited it and referred to the various forms and the various methods of appraisals in the State by public utilities as one reason why it was important that this section should remain as it is written.

I hope the Senator from Wisconsin understands that that was my purpose.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. BYRNES. I yield.

Mr. BARKLEY. Is not one of the troubles about this amendment the fact that it would make it impossible for the commission even to have a uniform form for making reports and lists by corporations other than utility commissions?

Mr. BYRNES. That certainly is true. The Senator from Wisconsin has referred to one of the public servants of his State. My belief is that the Senator must be mistaken in

his viewpoint as to this section, because the object is not to interfere with the public-service commission of any State but simply to prescribe the form of the report which must be followed by the corporations of the States.

It may be that the position of the officials of the State of Wisconsin would be as indicated if the commission to be placed in charge of the administration of this measure should prescribe a different form, and thus cause the State of Wisconsin to change its form in order to accord with the requirements of the commission appointed under the bill. That is the only way that I see in which it could affect this public official.

Mr. BARKLEY. Mr. President, if I may add another observation, if the States had a uniform system of regulation, not only of utilities, but of corporations authorized in the States, it would not be such a difficult matter, but with 48 different jurisdictions, with 48 different kinds of reports, and with the investor desiring to make a fair comparison between the corporations in one State and those in another, the only way by which to enable the investor to do that is to have uniform information as to all of them, and the method by which they arrive at conclusions.

Mr. BYRNES. That is absolutely correct.

Mr. BARKLEY. If this amendment should be adopted, it would make it impossible for the Commission to have that uniform kind of information which would enable an investor to draw a comparison between a corporation in Wisconsin and a corporation in Kentucky, or in some other State.

Mr. BYRNES. The result would be that the investor, relying upon uniformity, and believing that there was uniformity, would be misled.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. DUFFY].

The amendment was rejected.

Mr. STEIWER. Mr. President, in offering the amendment affecting the railroads, I had in mind to present a further amendment and did not do so because in the confusion there was no opportunity for me to present it to members of the committee with whom I desired to confer with respect to it. Under the circumstances, the action taken by the Senate was taken only on that part of the amendment which I had offered last night, and which the Chair had held to be the pending question.

I desire to present the remainder of the amendment, and I send to the desk that part of it commencing with the words "Provided further."

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to amend by adding at the proper place the following:

Provided further, That carriers not subject to the provisions of section 20a of the Interstate Commerce Act, as amended, but subject to section 20 of such act, shall be exempt from the provisions of this section, except that the Commission may require that such carriers file with it duplicate copies of reports or other documents filed with the Interstate Commerce Commission.

Mr. ROBINSON of Arkansas. Mr. President, what class or classes of carriers are embraced within that amendment?

Mr. STEIWER. The Interstate Commerce Act, in section 20, covers substantially all of the interstate carriers, including the sleeping-car companies, the express companies, the telephone companies, the telegraph and cable companies, the carriers operating on inland waterways, and the carriers by pipe lines. In section 20a there is only one great group dealt with, and that is the railroad group.

In section 20a, covering the railroads, concerning which we have already acted, we are presented with the fact that we exempted the railroad carriers, which were not only subject to the requirements of the Interstate Commerce Commission as to accountancy and reporting and audit, but they were also subject to the absolute control of the Interstate Commerce Commission in the issuance of their securities. There is, therefore, a very persuasive argument for the elimination of the railroads from both sections 12 and 13.

But little reason could be offered for requiring the railroads to comply with sections 12 and 13, save in the sense that they might be required to furnish duplicate copies of information furnished to the Interstate Commerce Commission, because that Commission, as I said earlier in the debate, have an absolute power of veto over the issuance of securities by the railroad corporations.

When we deal with the other carriers which are covered by section 20 of the Interstate Commerce Act we do not find any control in the Interstate Commerce Commission over their right to issue securities. Therefore, it seems to me that the other carriers ought to be subject to section 12; they ought to be compelled to register their securities; and in the amendment which is now offered, I do not seek to exempt them from the application of section 12.

We differentiate between these carriers and the railroads in that we seek to exempt the railroads from the provisions of both section 12 and section 13, and we seek to exempt the other carriers only from the provisions of section 13, which requires submission of periodic reports.

Mr. President, what is the reason for exempting them with respect to section 13? It is merely this—that, although the Interstate Commerce Commission does not control their security issues, it does control their accountancy and requires comprehensive reports. I invite the attention of Senators briefly to a consideration of the provisions of section 20 of the Interstate Commerce Act, as amended, which provides the various requirements to be made of these carriers. In that section it is provided that the Commission is authorized to require certain reports, annual and other reports, from these institutions, and among other requirements are the following:

Such annual reports shall show in detail the amount of capital stock issued, the amounts paid therefor, and the manner of payment for the same; the dividends paid, the surplus fund, if any, and the number of stockholders; the funded and floating debts and the interest paid thereon; the cost and value of the carriers' property, franchises, and equipments; the number of employees and the salaries paid each class; the accidents to passengers, employees, and to other persons, and the causes thereof; the amounts expended for improvements each year, how expended, and the character of such improvements; the earnings and receipts from each branch of business and from all sources; the operating and other expenses; the balances of profit and loss; and a complete exhibit of the financial operations of the carrier each year, including an annual balance sheet.

Mr. FLETCHER. Mr. President, may I ask the Senator if that applies to all the carriers he has mentioned?

Mr. STEIWER. It does, Mr. President. And may I, in answering that question, say further to the Senator that I very carefully considered the way that both of these proposals have been phrased? It is not my purpose to provide exemption for any carrier in such a way that it will not still be subject to rigid supervision. My only purpose is to exempt those which are subject to the Interstate Commerce Commission, and then only to the extent that they are governed by that Commission. For that reason the amendment I offered pertaining to the railroads named in section 20 (a) of the Interstate Commerce Act relieves them from the provisions of both sections 12 and 13, but in the amendment I now offer pertaining to the other carriers, where the Interstate Commerce Commission does not have control over security issues, I seek to relieve such other carriers only from the requirements of section 13.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. BARKLEY. The Senator will recall that in spite of the requirements and regulations in the Act to Regulate Commerce, certain gentlemen testified before a committee with reference to the organization of holding companies, which are not subject to the Interstate Commerce Commission and which might not be subject to the regulation of the proposed commission if we exempt railroads of all types altogether from the provisions of this act, that they were by means of holding companies able to manipulate the stocks of their companies in a way most disastrous, so far as the public was concerned, and to hold out to the public fictitious values which have no basis in fact.

Will the amendment which the Senator now proposes, taken in connection with the one which has already been adopted, make it easier for holding companies which have been organized in order to get around the law now in force with reference to reports by railroad companies, still to avoid making a showing before either the Interstate Commerce Commission or before the proposed commission with reference to the condition of their stock as represented by ownership in railroads?

Mr. STEIWER. The question is a most proper question, but I can answer it in the negative. It could not possibly make any difference as to the corporation, of the kind that the Senator has in mind, because in framing the amendment I was careful to guarantee that it would not absolve that class of corporations from the requirements of this bill. In the amendment it is stated merely that the carriers subject to the requirements of section 20 of the Interstate Commerce Act are exempted partially from the application of this bill. Therefore, if they are not subject to section 20, of course they obtain no benefit from the proposed exemption.

Mr. BARKLEY. While the carrier itself would not be subject to sections 12 and 13—

Mr. STEIWER. May I interrupt before the Senator goes further? The holding company would still be subject to the act. The carrier, therefore, would report to the Interstate Commerce Commission, and the holding corporation would be obliged to comply with this bill in all its requirements, and I certainly want it to be that way.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. FLETCHER. The Senator will recall that certain railroad officials desired to bring about certain mergers and combinations of railroads, and the Interstate Commerce Commission would not permit that to be done. They had to make application to the Interstate Commerce Commission, and they were denied the privilege of acquiring competing roads, and so forth. In order to get around that denial the bright lawyers who represent these big corporations devised the scheme of the holding company, and the stock of the railroad companies was transferred to the holding company, and the holding company was enabled to operate their affairs through a trust. Three people managing the holding company—the Pennroad Co.—managed the affairs of the Pennsylvania Railroad Co., and they accomplished the purchase of their connecting lines and paralleling lines, and so forth, and brought about the identical merger which the Interstate Commerce Commission would not allow. It was the holding company which got by with that, and it was devised for that very purpose.

We do not want to leave the holding company exempt from some form of regulation. The Interstate Commerce Act was absolutely defeated by the formation of a holding company, and the Interstate Commerce Commission did not have jurisdiction to prevent the very thing being done, the application to do which had been denied by the Commission to the railroad.

Mr. STEIWER. I remember the transaction to which the Senator from Florida refers. It is my impression that some of those who defied the authority of the Interstate Commerce Commission are now under indictment. I am entirely in sympathy with the viewpoint of the Senator from Florida, but there is nothing in the amendment which is now proposed which would relax in any way the requirements of the law as to a transaction of that kind.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. STEIWER. I yield.

Mr. BARKLEY. Section 20 of the Interstate Commerce Act is not mandatory upon the Interstate Commerce Commission. It is clearly permissive.

Mr. STEIWER. Nor is the requiring of reports mandatory upon the new commission.

Mr. BARKLEY. No; I realize that, but it might be advisable in the exercise of the discretion of the new Commis-

sion to obtain information which is not included in the reports to the Interstate Commerce Commission, and, besides, the reports to the Interstate Commerce Commission are only made annually.

Mr. STEIWER. Oh, no, Mr. President.

Mr. BARKLEY. They are made as of the 30th of December or as of the 1st day of January of each year, and are to cover a 12 months' period.

Mr. STEIWER. That is only one type of reports, Mr. President.

Mr. BARKLEY. Whereas under the provisions of section 13, from which the Senator is seeking to exempt them, more frequent reports than annual reports may be required by the Commission.

Mr. STEIWER. The Interstate Commerce Act permits reports as often as once a month, and I am advised that the Interstate Commerce Commission in many cases has exercised its privilege under the law and has exacted reports as often as once a month from the carriers.

Mr. BARKLEY. Subsection (2) of section 20 of the Interstate Commerce Act says:

Said detailed reports shall contain all the required statistics for the period of 12 months ending on the 30th day of June in each year, or on the 31st day of December in each year if the Commission by order substitute that period for the year ending June 30.

If the fiscal year ends in January instead of June, or in December, they may substitute that, but the requirement is that they shall report for a 12-month period.

Mr. STEIWER. That is only one requirement, Mr. President. If the Senator will look further, he will find that they may be required to report as often as once each month. Moreover, the Interstate Commerce Commission has not been dilatory in its requirements under this act. They have availed themselves of their authority, and I believe it is true with respect to all the carriers in the categories covered by section 20 of the act that they have required a system of accountancy which the Interstate Commerce Commission has itself approved and devised. There is no such power as that—at least it is contended there is no such power as that in the bill which we are considering and which we soon shall pass as the pending measure. The Interstate Commerce Commission not only prescribes the accountancy system but it sends examiners to the field, who go to the offices and places of business of these corporations and make contemporaneous or current examinations. After the close of the year, and upon the submission of the final reports, the Commission then audits the reports and audits the accounts of the carriers. That is bound to make closer supervision than ever will be had, presumably, under the provisions of the pending bill.

The only purpose of the amendment which I am offering is to relieve these carriers from the necessity of filing different kinds of reports and reports additional to those furnished to the Interstate Commerce Commission. The Securities Commission may still exact from them duplicate copies of all reports which they file with the Interstate Commerce Commission.

Let me suggest, Mr. President, that any additional expenses which are incurred by the railroads in connection with the filing of any reports, are regarded by the Interstate Commerce Commission as proper operating costs, and they are taken into consideration in the fixing of rates, so that finally the American people, the shippers, and travelers on the railroads, would have to pay the cost of any additional requirement placed upon the carriers.

If the proposal which I have offered is not correctly stated, if it is too inclusive or too narrow, if the exemption is suggested in a way that Senators do not approve, I shall be very glad to consider any proposals for the perfecting of the amendment.

I hope I am not dogmatic with respect to this matter. I certainly do not want to be too insistent with regard to the amendment, but seriously I say to Senators that the implications of this matter are of importance. They are of importance to the American people, and nothing will be gained by requiring of the interstate carriers different kinds of re-

ports or a different system of reporting when such reports will not bring any additional information to the American people.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. STEIWER. I am glad to yield to the Senator from Michigan.

Mr. COUZENS. Does the Senator know whether the provision in the second section of his amendment is in the House bill?

Mr. STEIWER. There is in the House bill something rather similar to the first provision of the amendment which has already been agreed to. In my judgment, the Senate's action is superior to that of the House. I am not advised sufficiently to tell the Senator with certainty whether there is anything in the House bill that covers the suggestion I am now making. I believe, however, there is nothing in the House bill that is equivalent to the proposal I make.

Mr. BARKLEY. Mr. President, if the Senator will yield the language in the House bill is—

Provided, That no additional requirements shall be imposed upon carriers subject to the provisions of section 20a of the Interstate Commerce Act, as amended.

Mr. BYRNES. Mr. President, I think the provision is not in the House bill.

Mr. STEIWER. I believe that is correct, though I do not want to speak with certainty about it.

Mr. COUZENS. I hope the chairman of the committee will accept the amendment and let it go to conference so as to find out whether reports filed with the Interstate Commerce Commission will be adequate for the administration of the proposed act by the new commission.

Mr. BYRNES. It seems to me, if the Senator will allow me, that it differs slightly from the language of this bill where it is provided that information asked for shall be such as the Commission may deem necessary for the protection of investors. So far as I have been able to read hurriedly the language of the Interstate Commerce Act, the character of information which the Interstate Commerce Commission may require may be somewhat different. I agree that it would be impossible at this time to express even an intelligent opinion as to whether the Interstate Commerce Act would cover all the information that we seek to secure in this bill. I agree, however, with the Senator from Michigan, it would be well to adopt the amendment and let it go to conference.

Mr. STEIWER. I hope that may be done.

Mr. COUZENS. I hope the conferees will investigate and ascertain whether the reports filed with the Interstate Commerce Commission are adequate. If so then the amendment ought to remain in the bill; but if it should be determined that they are not adequate, then of course the conferees on the part of the Senate could recede.

Mr. STEIWER. That would be satisfactory, and is all I could ask.

Mr. BARKLEY. The act to regulate commerce goes into some detail with reference to what is required by the reports. So does this bill; but there is a difference between the act to regulate commerce and the bill here. It may be that they ought to be harmonized, and in all probability it can be done better in conference than it can be done here on the floor. For that reason it probably would be wise to let the amendment go in the bill.

Mr. FLETCHER. With the understanding that we shall not feel bound to stand for the exact letter in considering this amendment in conference and that if we do not find that it sufficiently meets the situation as we desire by this proposed act we can recede from it, I presume we might as well agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I offer an amendment, which I ask the clerk to read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 11, after the word "States" and the semicolon, it is proposed to insert the following:

Securities which are direct obligations of a foreign government and which on the date of the enactment of this act are listed on any exchange within or subject to the jurisdiction of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida.

Mr. FLETCHER. Mr. President, the amendment simply includes, in the list of exempted securities, on page 7, obligations of foreign governments which are now listed on the exchanges of the United States. I think that the amendment is in the interest of American bondholders. It does not apply to new issues at all, but to issues already listed and now held by American bondholders. There is no way of getting the information required as to these securities if they are not exempted except by application to a foreign government. That may bring on some feeling and misunderstanding. There is no way of compelling them to furnish the information, and therefore we would not get it anyway. So I think the adoption of the amendment would be in the interest of American bondholders. They will not be obliged to go through all this machinery in connection with the disposition of such securities which they already hold, but may sell and distribute them without giving information required of other security holders.

I may add that the amendment is suggested by the State Department, which has recommended its adoption. So I offer the amendment.

Mr. HASTINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Delaware?

Mr. FLETCHER. I yield.

Mr. HASTINGS. I should like to inquire whether, in addition to the group which the Senator, as I understand his amendment, desires to exempt, another group should not be exempted? My understanding is that there are other securities that have been listed on the stock exchanges for many years, as to which—I do not know whether the corporations have gone out of existence or just what has happened—in many instances there are no persons left who can possibly make the reports that are necessary under this proposed act. I wonder if that has been brought to the Senator's attention or whether he has given any consideration to it?

Mr. FLETCHER. That is a matter the Commission will have discretion to deal with as circumstances may require. That is a matter entirely with the Commission, and I do not think there will be any difficulty about it at all.

Mr. HASTINGS. Is the Senator sure that under this bill the Commission has that right?

Mr. FLETCHER. Absolutely; there is no question about it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was agreed to.

Mr. STEIWER. Mr. President, may I have the attention of the Senator from Florida and the Senator from South Carolina respecting one or two clarifying amendments? I shall not as yet offer the amendments, but on page 51, in line 11, in the section of the bill which provides jurisdiction of offenses and suits, we find, commencing with line 9, the language as follows:

The District Courts of the United States, and the United States courts of any Territory, and the Supreme Court of the District of Columbia shall have jurisdiction of violations of this act—

And so forth.

I have no personal interest in the matter, but it is my recollection that it was the intention of the committee to give to the Federal district courts exclusive jurisdiction of violations under the act, and if that is the purpose of the committee it has not been effectuated by the language used. Am I wrong in that recollection?

Mr. FLETCHER. There was no such intention; the intention was just to the contrary. The committee did not feel like limiting the jurisdiction to the Federal courts.

Mr. STEIWER. In other words, the purpose of the committee was to give jurisdiction either to the Federal court or to the State courts of general jurisdiction?

Mr. FLETCHER. Yes.

Mr. BYRNES. May I say to the Senator from Oregon that the language in the bill is the same as that in the Securities Act of 1933? The House bill provides for exclusive jurisdiction in United States courts. If the Senate provision is adopted, the matter may then be considered in conference.

Mr. STEIWER. I have no objection to make concerning it. I will say, though, that my own recollection was contrary to the advice I am now receiving.

On page 45, Mr. President, may I call attention to the word "avoiding", in line 3, and ask the chairman if the committee would not want to substitute the word "evading" for the word "avoiding" at that point?

As the Senator will observe, beginning in subsection (b) in line 22, on page 44, the section is stated in terms of penalties; that is to say, it makes unlawful certain acts. Then, passing over to page 45, there is a limitation in the words "for the purpose of avoiding any provision of this act or any rule or regulation made thereunder."

I think the conventional words to use in a case of that kind are the words "evading any provisions of this act." I do not know when it became unlawful in this country for a person to avoid a law, which may be done merely by the citizen refraining from violation of the law. I am not going to detain the Senate to discuss the matter, but it seems to me that we could very well change the word "avoiding" to the word "evading."

Mr. FLETCHER. I do not think it is very material, although it may be. "Avoiding", of course, means to nullify as well as to escape the provisions of the law.

Mr. STEIWER. In the application of our tax laws the taxpayer may avoid the payment of a tax by refusing to sell his property or to take a profit. In that case he is not violating the law; but if he evades the law, he is regarded as being in a different category. I shall not press the matter further. I thought the chairman probably might want to make that change.

Mr. FLETCHER. I was going to suggest the use of both words, so as to read "avoiding or evading."

Mr. STEIWER. I would have no objection to that.

Mr. FLETCHER. I suggest, then, that after the word "avoiding" the words "or evading" be inserted, so as to cover both.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was agreed to.

Mr. COPELAND rose.

Mr. STEIWER. Mr. President, I understand the Senator from New York [Mr. COPELAND] wants the floor, but I desire to suggest one other clerical change before I yield the floor. On page 22, in line 7, beginning in line 5, we find reference to the prohibition against endorsing or guaranteeing "the performance of any put, call, straddle", and so forth.

On the preceding page we find similar language, but there is a certain degree of definition of the word "privilege." In order to make clear what I mean let me invite attention first, on page 21, to paragraph (1), commencing in line 17. I will read that paragraph:

(1) Any transaction in connection with any security whereby any party to such transaction acquires any put, call, straddle, or other option or privilege of buying the security from or selling the security to another party to the transaction without being bound to do so.

The word "privilege" as there used is defined by the language which follows it. It is merely the privilege of "buying the security from or selling the security to another party to the transaction without being bound to do so."

In paragraph (2), in the last line, on page 21, we find the use of the word "such", so that in its effect it relates to "such privilege", or the privilege defined in the language commencing in line 17, which I have quoted.

In the next subsection, at the top of page 22, we again find the use of the word "such" before the word "put", in line 3, but evidently by inadvertence, in subsection (c), in declaring it unlawful to endorse or guarantee certain things, the use of the word "such" has been omitted. I think it is a clerical error and that the word ought to be inserted at that point. Otherwise at the end of line 7 and the beginning of line 8 we have the use of the word "privilege" without any definition or restriction or anything to indicate the character of the privileges to which reference is made.

Mr. BYRNES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from South Carolina?

Mr. STEIWER. Certainly.

Mr. BYRNES. The Senator referred to subdivisions 1, 2, and 3 of subsection (b) where the word "such" appears.

Mr. STEIWER. That is correct.

Mr. BYRNES. Subsection (c) is an entirely different section and has entirely different language.

Mr. STEIWER. It is true that it is an entirely different section and has entirely different language. But what character or privilege is referred to in subsection (c) and how and where is it defined? If it does not mean "such privilege" what privilege was intended to be meant by the draftsmen in the preparation of the language? However, I shall not press the matter upon the Senate. I think the word "privilege" as there used is meaningless, and in one way or the other ought to be defined.

Mr. COPELAND. Mr. President, I should like to ask the Senator in charge of the bill a question with reference to the wording on page 3, line 23. Has there been any change in the printing of the bill regarding the language "and any partner of any such firm"? Is that language still in the bill?

Mr. FLETCHER. There has been no change made in that respect.

Mr. COPELAND. It seems to me, if those words are not deleted the individual partners of all firms having a membership on the stock exchange are subjected to the jurisdiction of the commission with reference to their personal affairs. Perhaps those affairs have no reference to the securities business. I think it perfectly proper that the floor member, and the firm of which the floor member is a partner, should be subject to regulation, but, as I view it, it is entirely unnecessary and quite unjust that "any partner of any such firm" should be subject to regulation.

Mr. FESS. Mr. President, to what page is the Senator referring?

Mr. COPELAND. Page 3, line 23. I am trying to make the point that there may be a special partner in the business who has nothing whatever to do with the operation or conduct of the affairs of the concern.

Mr. FLETCHER. Mr. President, my attention was diverted and I did not get the Senator's question.

Mr. COPELAND. On page 3, line 23, I invited attention to the words "and any partner of any such firm". There may be special partners.

Mr. FLETCHER. It includes any firm transacting business as a broker or dealer, of which a member is a partner and any partner of any such firm. We must keep that language in the bill, or we may open the door too wide.

Mr. COPELAND. I think the Senator is wrong. The special partner is not a partner of the floor member. He is not an active member of the firm. He simply has some money in the firm, which perhaps has been left there through a generation or two. But if such a partner is to be subjected to the same supervision as is the firm and the active members of the firm, then every time he wants to mortgage his farm or borrow money or transact some personal business he will be subject to the supervision of the Commission.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. BARKLEY. On the contrary, if we strike out those words, any firm might have a partner on the side or might create a partner on the side to do certain things, and there

would be no supervision whatever of such a partner, as he would not come within the term "member of the firm."

Mr. COPELAND. The stock exchange and its members are to be under the control of the commission, but the man whom I have in mind is entirely outside of active participation in the concern and is not a member of the stock exchange.

Mr. BARKLEY. That very fact brings up the question whether a firm that is a member of the stock exchange might have a partner who could bring about transactions that would be free from regulation, under the guise of representing a firm that was a member of the stock exchange. The difficulty is that we would open the way for evasion by private arrangements between firms which are members of the stock exchange and men who may be partners in the firm, but on the outside, so as to make them in effect subject to regulation.

Mr. COPELAND. No; the Senator is entirely wrong. The bill is intended to regulate the stock exchange and the members of the stock exchange. I am referring to a special partner on the outside who has some money in the concern and has nothing whatever to do with the operation of the brokerage business.

Mr. FLETCHER. But he is a partner in the business.

Mr. COPELAND. If the brokerage concern violated the law, then that firm would be liable to the penalties of the law, and the members of the stock exchange who were in that concern would be liable to the penalties of the law. But I am referring to an individual who is entirely outside the membership of the stock exchange. It seems to me it is unjust that such an individual should be made liable to the penalties of the bill when as a matter of fact he has not a thing to do with the operations of the stock exchange or of any concern which has membership in the stock exchange.

Mr. FLETCHER. He must have something to do with it. He is a partner of a firm engaged in transacting the business of a broker or dealer.

Mr. COPELAND. The Senator from New Jersey [Mr. KEAN], who is familiar with the matter, will tell the Senator that there are special partners or families whose money has been left for a long time in a given concern.

Mr. BARKLEY. This is the definition of the word "member":

The term "member" when used with respect to an exchange means any person who is permitted either to effect transactions on the exchange without the services of another person acting as broker, or to make use of the facilities of an exchange for transactions thereon without payment of a commission or with the payment of a commission or fee which is less than that charged to the general public, and includes any firm transacting a business as broker or dealer of which a member is a partner, and any partner of any such firm.

In other words, if there is any partner of any such firm, or any member of a partnership which is supposed to be a member of the New York Stock Exchange, which is allowed privileges or allowed to carry on transactions on the New York Stock Exchange, or through a broker or dealer by the remission of all fees or commissions or by the charging of a less commission than is charged the general public, then he would be brought within the term of "member" under this definition.

It is entirely possible, I should say, for a partner who is not a member of the stock exchange, through the membership of the partnership in the exchange, or an individual member of the partnership, to be able to acquire privileges to transact business without the payment of the fees or the commissions which are charged to the general public.

Mr. COPELAND. Let me say that the partner might be the widow of somebody who put money in a special account for this purpose 40 years ago. She is as innocent as a newborn babe in any transaction of the firm. She is not an active member of the firm. She has nothing to do with its transactions. She is entirely separate and apart from the business arrangements of the firm. That is my impression. I desire to ask the Senator from New Jersey if I have stated the matter as it is.

Mr. KEAN. Mr. President, the Senator has stated the situation absolutely correctly. In some cases people have died and left their money in the firm, and their heirs are special partners. They are precluded by the arrangement from having anything to do with the firm. The stock exchange specifies that they may not have anything to do with the firm.

Mr. COPELAND. Is it not a fact, too, that if we were to take all such persons and put them on Robinson Crusoe's island, put them away off by themselves, the situation would not be changed a single bit? They have nothing to do with the operation of the business. They have nothing to do with the stock exchange. They have simply left their money there, just as I might leave my money in a savings bank. That is the feeling I have.

Mr. KEAN. The Senator is quite correct.

Mr. COPELAND. I wish the Senator from Florida would be sufficiently impressed by what I say to let this matter go to conference. If he finds that it is not as I state it, I shall be perfectly satisfied to have the language restored to the bill; but I know that without the amendment a great injustice would be done to many entirely innocent people in this very respect. So I ask the Senator if he will not consent to take to conference an amendment striking out the words "and any partner of any such firm."

Mr. FLETCHER. Mr. President, I can only say that after this bill had been considered by the full committee for a great length of time, and the committee had devoted great care and deliberation to it and had modified it, the bill was referred to a subcommittee, which examined every word and every line of the bill; and I do not feel warranted in consenting to strike out any portion of it.

We talked about this subject in the subcommittee. We discussed it pro and con. We have heard all the arguments for the amendment and against it. I do not feel authorized to consent to the change.

Mr. COPELAND. Mr. President, may I ask the Senator if he recollects that the matter was discussed at all in the committee?

Mr. BYRNES. Mr. President, the language in the bill was intended to cover cases where one partner in a firm was a member of an exchange and a partner who was not a member could do things which the law would not permit to be done by the partner who was a member.

Mr. COPELAND. Do not the things the Senator is speaking about relate to transactions that would have to be carried on by the concern?

Mr. BYRNES. They would be carried on by the partner who was a member of the exchange, but the partner who was not a member could do things of many kinds which would enable the firm to evade the law.

Mr. BARKLEY. He might be allowed to escape the payment of the fees and commissions which the general public pays.

Mr. BYRNES. The object was to prevent him from doing it; to prevent a situation where one member of a partnership would be a member of the exchange, and business would be transacted ostensibly through another partner. I do not see that the language is going to do any harm to a partner of a firm conducting a legitimate business.

Mr. COPELAND. It is going to do great harm to the people I am talking about, and it is going to take that money entirely out of business. It is bound to do it. Those to whom it belongs cannot afford to leave the money there.

I have tried to present the matter dispassionately, with a very limited knowledge of the operations of the stock exchange, in which I do not participate; but I know perfectly well that what I have described to the Senate is exactly what will happen.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. COPELAND. Yes.

Mr. BARKLEY. This looks like a very small sentence to arouse so much controversy as to its meaning. A member is described in this subsection as a person who is allowed privi-

leges on an exchange or is permitted to do business on an exchange through a broker or dealer upon the payment of fees that are less than the general public is charged, or with a complete remission of fees. If that does not apply to any such partner, he does not come within this subsection.

Mr. COPELAND. It does apply, because the committee is putting it in.

Mr. BARKLEY. No; not unless he is allowed some privilege which the general public is denied; not unless he is allowed through the partnership to do business without the payment of any commissions or fees, or unless he is allowed to do business by the payment of a less fee than that paid by the general public. If an outside partner is charged the same as the general public, he does not become a member under this definition.

Mr. COPELAND. Then perhaps the Senator, who is so energetic in his defense of this provision, will tell me the meaning of the words on page 43, lines 9 and 10. How far does that language go in its application—"safeguards in respect of the financial responsibility of members"? Is not that pretty indefinite and broad?

Mr. BARKLEY. If anybody should come within the definition of "member" by being allowed, although not an actual member, but as a partner of a member, some privilege or right not accorded to the general public, of course the language on page 43 would not apply to him.

Mr. COPELAND. In sections 7 and 8 there are all the safeguards that could possibly be thought of; and why, in addition to all those, is this one needed—"safeguards in respect of the financial responsibility of members"?

Mr. President, realizing the utter futility of the motion, I move that the language suggested on page 3, lines 23 and 24, and on page 43, lines 9 and 10, be deleted from the bill.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York.

Mr. BORAH. Mr. President, I could not quite hear the Senator's motion.

Mr. COPELAND. My motion was to delete the language which I was trying to explain on page 3, lines 23 and 24, after the comma on line 23, "and any partner of any such firm"; likewise, on page 43, lines 9 and 10, the language reading "safeguards in respect of the financial responsibility of members and."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York.

Mr. McNARY. I ask to have the amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 23, after the comma, it is proposed to strike out the words "and any partner of any such firm"; and on page 43, line 9, after the figure "(1)", it is proposed to strike out the words "safeguards in respect of the financial responsibility of members and".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York. [Putting the question.] The Chair is in doubt.

On a division, the amendment was rejected.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Carey	Goldsbrough	McGill
Ashurst	Clark	Gore	McKellar
Austin	Connally	Hale	McNary
Bachman	Coolidge	Harrison	Metcalf
Bailey	Copeland	Hastings	Murphy
Bankhead	Costigan	Hatch	Neely
Barbour	Couzens	Hatfield	Norbeck
Barkley	Cutting	Hayden	Norris
Black	Davis	Hebert	Nye
Bone	Dill	Johnson	O'Mahoney
Borah	Duffy	Kean	Overton
Brown	Erickson	Keyes	Patterson
Bulkeley	Fess	King	Pittman
Bulow	Fletcher	La Follette	Pope
Byrd	Frazier	Lewis	Reynolds
Byrnes	George	Logan	Robinson, Ark.
Capper	Gibson	Loneragan	Schall
Caraway	Glass	McCarran	Sheppard

Shipstead	Thomas, Utah	Tydings	Walcott
Stelwer	Thompson	Vandenberg	Walsh
Stephens	Townsend	Van Nuys	Wheeler
Thomas, Okla.	Trammell	Wagner	

Mr. LEWIS. I desire to announce the absence of the Senator from Georgia [Mr. RUSSELL], occasioned by a death in his family.

I also wish to announce the absence of the Senator from South Carolina [Mr. SMITH], the Senator from Louisiana [Mr. LONG], and the Senator from Illinois [Mr. DIETERICH], who are necessarily detained on official business.

I likewise announce the absence of the Senator from California [Mr. McAdoo], caused by illness.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, there is a quorum present.

Mr. HASTINGS. Mr. President, I desire to offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 28, after line 8, it is proposed to strike out all down to and including the word "investors" on page 30, line 21, and to insert the following:

(b) A security may be registered on a national securities exchange by the issuer filing an application with the exchange (and filing with the commission such duplicate originals thereof as the commission may require), which application shall contain—

(1) Such of the following information, in such detail, as to the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer, and any guarantor of the security as to principal or interest, or both, as the commission may by rules and regulations require, as necessary or appropriate in the public interest or for the protection of investors:

(A) the organization, financial structure, and nature of the business;

(B) the terms, position, rights, and privileges of the different classes of securities outstanding;

(C) the terms on which their securities are to be, and during the preceding 3 years have been, offered to the public or otherwise;

(D) the directors and officers, their remuneration (including amounts paid, or which may become payable, as a bonus or under a profit-sharing arrangement), and their interests in the securities of, and their material contracts with, the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer;

(E) remuneration (including amounts paid, or which may become payable, as a bonus or under a profit-sharing arrangement) in excess of \$10,000 per annum, to any person other than directors and officers;

(F) management and service contracts of material importance to investors;

(G) options existing or to be created with respect to their securities;

(H) balance sheets for the 3 preceding years, certified by independent public accountants or otherwise, as the Commission may prescribe; and

(I) profit-and-loss statements for the 3 preceding years, certified by independent public accountants or otherwise, as the Commission may prescribe.

(2) Such copies of articles of incorporation, bylaws, trust indentures, or corresponding documents, by whatever name known, underwriting arrangements, and other similar documents of, and voting trust agreements with respect to, the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with the issuer as the commission by rules and regulations may require as necessary or appropriate for the proper protection of investors and to insure fair dealing in the security.

Mr. HASTINGS obtained the floor.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Oklahoma?

Mr. HASTINGS. I yield.

Mr. GORE. Mr. President, I wish to say to the Senator that I did not rise with the intention of discussing the details of either his amendment or of the pending bill, but I do wish to submit a few observations in regard to the general principle which ought to underlie and limit legislation of this character, and I wish to say a few words concerning the particular policy which seems to inspire and to characterize the pending proposal.

I desire, first, to eliminate the main points concerning which there seems to be general or substantial agreement.

I believe it is agreed on all hands that legislation of this kind, legislation correcting the admitted abuses and the

proven abuses of stock exchanges in general, and the New York Stock Exchange in particular—the big bad wolf—ought to be enacted at this time; that legislation correcting these abuses is necessary and desirable, and that such unfair and indefensible practices, as far as possible, should be prohibited by legislation, although it is easier to forbid than it is to prevent.

Mr. President, I believe there is general agreement, perhaps not universal agreement, that there ought to be a capital market, or that there ought to be a market place in this country, call it stock market, stock exchange, or what you will, I think it is generally agreed that there ought to be a market place where people who desire to sell securities and who desire to buy securities can meet and exercise the right to buy and sell.

I believe it is agreed that there ought to be a market place where the savings and the capital of the people can come to find desired and desirable investments.

I believe it is agreed that there are certain abuses which have grown up in connection with the stock exchanges of this country, certain unfair and evil practices, such as pools, syndicates, and other manipulative and deceptive devices, as they are characterized in the pending bill. There can be no doubt that, insofar as legislation can correct these evil practices, it ought to be done.

My own feeling has been that we should rather seek to correct the abuses of the market place than to prevent the uses of the market place.

I might in this place state that I have less faith than some have in the imperious "Be it enacted" of Congress and the imperious "Thou shalt not." As I said a moment ago, it is easier to forbid than it is to prevent. We adopted the eighteenth amendment only a few fleeting years ago—adopted the eighteenth amendment in order to prohibit traffic in intoxicating beverages. That amendment was repealed but yesterday. It was repealed with a great flourish and fanfare of trumpets, because prohibition, it was said, did not prohibit.

Mr. President, to prevent any act, any offense, any crime, which it takes two to commit, when both participants desire the thing to happen, and when both participants are determined that the thing shall happen, "Thou shalt not" is usually in vain.

The men who wished to sell and the men who wished to buy intoxicating liquors met and did so. People who desire to sell securities and who desire to buy securities will find the ways and means to do so, and will find a place where the transactions which they desire and which they are determined to see happen, will happen.

Mr. President, I make a distinction between the investor, the speculator, and the gambler. The investor is one who has available savings or resources, who desires to invest his resources where the principal will be safe, and where the principal will yield a reasonable and safe return upon the amount invested. As a rule the investor investigates before he invests. He investigates the industry generally, he investigates the particular concern in question, he investigates its resources, its assets, its financial structure, its management, its earnings, and its prospects, and he bases his action upon such investigations. His motive is to have his principal safe, and to have it yield a reasonable return during the period of the investment.

The speculator, as I conceive the speculator, makes the same investigations as the investor. He is as solicitous to ascertain the facts as the investor himself with regard to everything pertaining to the business, its capital structure, its earnings, and its outlook. He buys, however, with a different motive. He does not buy for a long-term investment, expecting a reasonable return during the period of the investment; he buys as a rule with the hope and expectation of selling, and that when he sells he will realize his principal and will realize a profit upon the sale. That, Mr. President, is not an illegitimate purpose or object. That motive has been the dynamics driving forward the progress of this country during its 3 centuries of unexampled development. It is a difference in motive.

The gambler knows little and perhaps cares less about industrial conditions in general, about the particular industry in whose securities he is investing; cares little or nothing about the particular enterprise whose stock he is buying, little or nothing about its financial set-up, its past or its prospective earnings. He generally yields to a contagion. He catches a fever and this fever is contagious.

These periodical panics and depressions have happened for 200 years; often at 10-year periods almost with mathematical precision. There is a psychological reason for that, and as long as men will buy on a rising market and sell on a falling market the recurrence of these panics, crises, and depressions, which have their roots deep down in human nature itself, cannot be prevented.

In 1929 I remember some stocks were selling at 60 times their earning power. I believe a stock selling at 10 times its earning power is regarded as a conservative investment. A stock selling at 15 times its earning power is regarded as being upon the border of speculation. Yet stocks sold in the market at 60 times their earning power. The judge and the janitor, the waitress and the heiress were infected with the fever.

To a certain extent I think the pending legislation is an effort to protect the fool against his folly. I doubt if it can be done. With all his folly, I think, he will outwit our wisdom and beat us to it. Of all "diseases", suicide is the hardest to prevent.

Mr. President, this bill has had an interesting history in its progress through the Senate Committee on Banking and Currency. Whence it came no man knoweth. In that committee it was changed many times, it was altered many times, modified many times, was amended many times, and I feel safe in saying that every time it was amended it was improved. The amendments were improvements. These improvements vindicate the wisdom of public hearings, the wisdom of exchanging and interchanging ideas with respect to legislation as with respect to other matters of common concern. And I pay honor to the venerable chairman of the committee for his patient work in connection with this measure.

The improvements made in this measure by the Committee on Banking and Currency almost vindicate the existence of Congress as a legislative department of the Government. I would not go so far as to say it was a complete vindication. That would be a deference to the past and to experience of which I would not care to be guilty.

When this measure first came forth from "the beautiful isle of somewhere" it was reputed to have teeth, indeed it was said that it was born with teeth in it, and some say—perhaps the midwife can confirm it—that it was born gnashing its teeth. It did remind one of a man-eater shark, and perhaps the draftsman took the man-eater shark, typified in the stock exchanges, as his model in the preparation of this measure. This bill had teeth, and some of its teeth we thought were dragon's teeth. Some of its teeth were tusks, some of its teeth were fangs. I speak for no one but myself, but I doubt not that if this measure had been passed as originally introduced and had ever closed its jaws upon the capital market of this country nothing but wreck and ruin would have issued from its jaws. The original draftsman proceeded upon the belief that the guillotine is the surest cure for a bleeding at the nose.

Mr. President, I am sure we all agree upon this point, that the supreme purpose of all our legislation should be to revive industry, to revive business, to aid in bringing back employment, to assist in putting an end to unemployment. That I think should be our supreme purpose and our supreme object, and all our legislation should converge upon that point.

Unemployment is the supreme problem—I may add is the supreme tragedy, as I see it. Every man and every woman who wants work, every man and every woman who needs work, every man and every woman who is willing to work, every man and every woman who is willing to work and is unable to obtain work, is a living tragedy. That is the

tragedy which we should strive to bring to an early conclusion.

Mr. President, when the panic burst upon us, when the depression came upon us in 1929, we had in this country approximately 50,000,000 people who were gainfully employed, who were engaged in gainful pursuits and occupations. This was about 40 percent of our entire population, about two fifths of all our people of all ages and of both sexes. That was the condition when the storm burst upon us. Approximately one half of that number, about 26,000,000, were directly engaged in the various branches of production, the production of the raw materials of industry, the production of the finished products of industry, building and construction work. These employments engaged 26,000,000 of our people who were gainfully employed.

A little less than one half our employed population, about 23,000,000, were engaged not directly in production but in the various branches of distribution and exchange, in the performance of services of various kinds as distinguished from production. They were engaged in distribution, exchange, transportation, communication, wholesale and retail business; they were engaged in banking, in the rendering of professional services, and of domestic services of different kinds. These branches occupied the time and employed the labor of 23,000,000 of our gainfully employed population.

We have today, or we had but recently, some 10,000,000 unemployed. About one half that number were previously employed in the various branches of production, the other half were previously employed in the various branches of service—transportation, banking, and other services—many of which, in fact, most of which, ministered directly or indirectly to production itself.

Mr. President, those who were engaged in production fell into two categories; one class were engaged in producing what the economists call consumptive goods—I borrow the phrase—either raw materials for the factory or finished goods for current use and consumption. Those goods are largely made up of such commodities as foods, feeds, fuel, fibers, fabrics, clothing, leather, rubber, and paper. Barring raw materials, they comprise for the most part articles which are handled in our retail trade, which are sold across the counter to the ultimate consumer. Those industries have made an earlier beginning and a more marked beginning toward recovery than have the so-called "heavy industries." Until recently their progress was much more marked, as it was much more gratifying than that of the heavy industries. Producers of this sort have a quick, a rapid turnover. They have frequent turnovers and producers of this kind, of course, have certain financial requirements and a certain type of institutions serve their requirements. They do and can rely upon short-time credits upon short-time loans. Their needs can be served by commercial banks, and, when they are functioning, they are served largely by commercial banks.

The other class of producers are what are known as the "heavy industries"—those engaged in producing what is called "capital goods"; what the economists, I believe, call "durable goods." For the most part they are engaged in producing for construction work cement, concrete, stone, brick, iron and steel, heavy equipment, and heavy machinery. Those articles constitute, for the most part, the output of the heavy industries, which have shown less signs of improvement and recovery than have the lighter industries. It is agreed by all that the heavy industries are lagging or have been lagging in the return to better times. It is also agreed by all that they must recover before recovery can be general or can be permanent.

They require a different sort of financing from the lighter industries, which have repeated turn-overs. Those industries require long-time financing. They cannot depend upon the commercial banks and short-time loans and short-time credits. They must resort to the capital market and have access to the savings of the people. They must largely rely upon bonds; they must largely rely upon stocks. They depend

upon securities, realizing the required capital from the sale of their securities. Mr. President, this may be one of the reasons why these industries have exhibited a marked tardiness in returning toward prosperity. They have had difficulty in financing and refinancing themselves.

About 1 year ago the Securities Act was passed. It was predicted by many, and feared by some of us, that the Securities Act would serve as a brake upon the wheels of recovery. We feared that the measure was too stringent; that it was too rigorous; that it would seal up the sources of capital. Few, I believe, will now deny that those fears have come true. I believe that the Chairman of the Banking and Currency Committee has introduced an amendment seeking to liberalize the terms of the Securities Act and to facilitate long-time financing and refinancing in this country. Let us see what has actually happened under that measure.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ERICKSON in the chair). Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. GORE. I should prefer not to yield, but I will yield to the Senator.

Mr. REYNOLDS. If I recall correctly, last year, when the members of the Committee on Banking and Currency were considering the so-called "Securities Act", my distinguished colleague from Oklahoma at that time remarked that the passage of such a very drastic bill would, in a sense, retard recovery. I believe that his predictions have come true, and I am reminded of that fact now by the words that have just fallen from his lips, when he indicated that very recently the administration had recommended a modification of the Securities Act.

Mr. GORE. I think, Mr. President, that this, in a measure, if we required any vindication, would vindicate the views of those of us who did not support the Securities Act, and who did not support it for the very reasons which are now assigned for the amendment of that measure.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. GORE. I would rather not, because I have a few more points I desire to make and I do not desire to detain the Senate long; but I will yield to the Senator.

Mr. FESS. I will not disturb the Senator. I was going to ask him a question, which I think is right along the line of the remarks which he has been making.

Mr. GORE. Very well. The Senator excites my curiosity. What is on his mind?

Mr. FESS. When the Senator mentions the situation as to durable goods, I think he puts his finger directly on the delicate point of our unemployment situation. I think it is the key log in the entire structure, and if he has a plan by which that jam can be unlocked—and I think he had something in mind when he spoke about long-time credits—it would be an object which I think we should all join in effectuating. The great difficulty is not only due to the wages that are unpaid in the durable-goods field, which is marked by unemployment, but also to the large group of unemployed salaried people heretofore providing services as distinguished from labor. If we could cure that situation, we probably would solve the entire problem. I mentioned some months ago that that seemed to be our difficulty.

I think the Senator also is accurate in his suggestion that penalizing legislation, no matter how wise the purpose sought by the legislation itself, and any legislation which will make it impossible to float corporate securities are bound to strike directly against the recovery of durable-goods industries.

Mr. GORE. Mr. President, I think the Senator's inferences are correct; and I am glad he reminded me of it, because that point had slipped my mind. As I suggested a moment ago, 5,000,000 of our unemployed were previously engaged in production and another 5,000,000 were previously engaged in the performance of services many of which ministered to production. Those who were engaged in performing such services were, of course, auxiliaries, in a sense, to those who were engaged in production. When those engaged

in production ceased to turn out their customary output, the need for transportation, wholesale and retail markets, and for other services, ceased and the factories came to a standstill. If we can reopen the factories, if we can revive those heavy industries, if we can reemploy the 5,000,000 men who were engaged in production, and restore their purchasing power, that will almost automatically not only require but demand the services of the 5,000,000 now unemployed and who were previously engaged in the performance of services.

Mr. FESS. That is precisely the point I wanted the Senator to emphasize.

Mr. GORE. Let the 5,000,000 formerly engaged in production renew their output and there will be an imperative economic demand for the services of those who were formerly engaged in transporting, handling, selling, and marketing those products.

Mr. President, we ought largely to concentrate upon the revival of the heavy industries. I do not know what their future or what their fate may be. There are some who think their future is behind them, as Artemus Ward might have said. There are some who think the heavy industries and their output have approached the point of saturation at least in many directions. There are some who believe the States, counties, and cities have constructed all the buildings that will be required for several generations to come, who believe that office buildings and other large establishments in our cities have been constructed until the demand for years to come has been supplied in advance.

There are those who think our public highways have been completed up to the point where further construction can be discontinued. There are many who believe our railroads have been constructed to the point where they will supply our demands for many years to come; that if, indeed, the demand continues constant the supply already is available, and that the railroads will have need to resort merely to replacing and maintaining themselves. That may be true.

But, Mr. President, we must at least have machinery for the lighter industries. We must have machinery to produce the products in the nature of consumable goods, goods for current demand and consumption. That need will be constant. That demand will be constant. That demand must be supplied. That demand must be financed not by commercial banks but must be supplied in the capital markets of the country.

At this point I return to my line of discussion, and I wish to show what has actually happened under the Securities Act. It became a law May 27 of last year. The rules and regulations, as I recall, were promulgated July 27 of last year, so that the first 7 months of last year were not under the control of the Securities Act. The last 5 months of last year were under the control of the Securities Act.

What about long-time financing last year? Private enterprise financed itself out of private resources, floated and sold securities during the first 7 months of last year to the amount of \$314,000,000, or about \$45,000,000 a month. That was not under the control of the Securities Act. The last 5 months of the year were under the control of the Securities Act and financing of that character during those 5 months dropped down to \$67,000,000, or about \$13,000,000 a month, about one fourth as much per month as during the preceding 7 months prior to the operation of the Securities Act.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. GORE. I would rather not, but I will.

Mr. BARKLEY. I inquire if the Senator attributes that dropping off entirely to the provisions of the Securities Act?

Mr. GORE. No; I do not.

Mr. BARKLEY. In the emergency which existed following the bank holiday and the necessity for setting up machinery to try to start the wheels of industry again, was not the economic situation of the country of such a character that without any Securities Act there would have been a considerable falling off in the amount of money invested in new business?

Mr. GORE. The Senator from Kentucky is wide-awake and is extremely resourceful. That point naturally suggests

itself to him in the abstract when isolated from the facts. I intended to remove that apprehension by stating this further fact: The Securities Act did not apply to Government securities. During the first 7 months of last year Government securities were floated in this country to the amount of \$363,000,000, or \$52,000,000 a month. During the last 5 months of last year Government securities were floated to the amount of \$309,000,000, or \$62,000,000 a month. Behind these statistics, Mr. President, these facts and these figures answers the inquiry which naturally suggested itself to the fertile mind of the Senator from Kentucky. There is no doubt that the Securities Act did serve, within limits, as a restriction on long-term financing in this country during the year 1933.

As I was observing a moment ago, these heavy industries must survive within certain limits, must survive in order to supply the lighter industries with machinery and many other demands that are imperative and must be supplied. To the extent that the heavy industries survive they must be financed. There are only two sources from which those heavy industries can be financed. There are only two sources available to which the heavy industries can have recourse in order to provide themselves with the capital indispensable to their survival. What are they?

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. GORE. I would rather not, but I will.

Mr. REYNOLDS. I should like to ask the Senator how we may ever expect to absorb the 10,000,000 who are now unemployed unless we lend some encouragement to industry?

Mr. GORE. Mr. President, I have a great reliance upon natural economic forces. I think that in the healing art nature does the work. Medicine may stimulate the forces of nature and may accelerate recovery, but medicine does not mend the patient. I have great reliance upon natural economic forces. I think within reasonable limits we can stimulate and accelerate those forces. On the other hand, I think we can retard and obstruct operations and hinder recovery itself.

I return, Mr. President. There are just two sources from which these heavy industries can finance themselves. One is out of the savings and resources of the people; one is out of the private purse of the private investors of the country. The other is out of the public purse.

That brings me to a question which concerns me much.

We hear a great many amusing whisperings around the corridors of the Capitol about those who would like to supersede our democracy, supersede our political and our economic structure, by some form of state socialism, or communism, or Hitlerism, or some other form of collectivism. I make no such intimation; but if I desired to supersede the institutions of our fathers, if I desired to supplant democracy with state socialism or any other form of collectivism, there are two courses that I would pursue, two courses paralleling each other, and—if I may use so novel an illustration—two parallel lines that finally converge. If I desired to substitute state socialism for our economic system, I would insist upon legislation like the Securities Act. I would make it so stringent that private enterprise could not finance itself from private resources. I would seal up the fountains of private finance so that industry could not meet its requirements at the hands of private investors.

Mr. President, if I desired to substitute state socialism for democracy, I would support such legislation as the pending bill was when it first came to the light of day. I would support such legislation as this measure was when it was first laid upon the doorsteps of Congress. I would support such legislation as this bill was when it was first thrown in at the window of the Banking and Currency Committee. I would strangle private enterprise, suffocate it, starve it, until it could not meet its requirements out of the resources of private investors.

On the other hand, in addition to favoring legislation such as I have described, I would favor more liberal legislation, if that be conceivable, providing for the Government

to finance private enterprise. I would drive private industry, private enterprise, out of the capital markets of the country, and I would bolt the gates against its efforts. I would drive private industry and enterprise to the Government of the United States; and sooner or later I would expect to see private enterprise nestling upon the knee of the Government and lying supinely upon its breast, drawing from the breast of the Government the pabulum essential to its survival.

That is what I would do.

What have we done? Mark the parallel, which is, of course, a coincidence. What has the Government done to enable our people to borrow money, to enable them to get deeper and deeper into the quicksand of debt, which is almost a synonym for death—the crux of the present problem upon one hand, as unemployment is upon the other?

In 1913-14 we established the Federal Reserve System, founded in the beginning upon sound principles, and addressed to a salutary public object. I think every amendment of that measure has impaired its character and its efficiency. We created a dozen Federal Reserve banks in a dozen different districts.

Last year, or the year before, we breathed the breath of life into a dozen home-loan banks. I may not use the exact designation. We created a dozen home-loan banks in a dozen districts, financed in the first instance out of the Treasury of the United States, refinanced in the second instance out of the Treasury of the United States, which is only another word for out of the pockets of the taxpayers of the United States.

Then we guaranteed the interest on the bonds of those banks. Was that sufficient? There was an overwhelming and unanswerable demand that we guarantee the principal, or the scheme would not stand. We guaranteed the principal; and, Mr. President, I fear me much that the Government of the United States will one day pay the principal, and will one day pay the interest, if the principal and the interest are ever paid. Perhaps we may enable this arm of Federal sovereignty to go into the bankruptcy court and repudiate its debts, and dishonor its credit, and defraud its creditors. The Federal Government itself has changed the terms of its own obligations. Let none be shocked at what I say.

We created 12 farm-land banks in 12 different districts, financed in the first instance out of the Treasury of the United States, refinanced in the second instance out of the pocketbooks of the taxpayers of the United States. Lately, we guaranteed the interest on the bonds. Did that suffice? Still later we guaranteed the principal of the bonds; and I fear me that if those bonds are ever paid, they will be paid out of the pocketbooks of the taxpayers. And so we go on with this merry parade of providing credit for everybody who will accept credit.

That is not all. We establish 12 intermediate-credit banks to make loans to the farmers—a dozen intermediate-credit banks in a dozen different districts.

Is that all?

We have recently established a dozen crop-production corporations in a dozen districts and have authorized those corporations to create hundreds of little lending institutions from one end of the land unto the other.

Is that all?

We have created or authorized 12 cooperative credit banks of some designation—a dozen such banks in a dozen different districts.

Mr. President, but recently a bill was introduced in the Senate to create 12 intermediate banks for the benefit of industry. It was argued that we had 12 intermediate banks for agriculture, why not 12 intermediate banks for industry? There is no sufficient answer to such question. As long as the Government takes its stand upon justice, upon the principle that it will mete out justice to every citizen, whether he be high or low, rich or poor, the Government has a rule of conduct for its guidance in all exigencies—a place where it can say "no."

When you once depart from the standard of justice and begin to dispense favors and begin to mete out privileges,

you no longer have a standard for your guidance, and you have no place where you can ever say "no." That is the pity of it.

But due to the wisdom of the Senator from Virginia [Mr. Glass] and the chairman, the Committee on Banking and Currency refused to report this bill, refused to bring another litter of banks into being, refused to bring in a bill authorizing the 12 Federal Reserve banks to make loans directly to industry, which would have been a departure from the principle upon which the bank was founded, and a dangerous departure.

Mr. President, the relationship of creditor and debtor between a sovereign and a private citizen is an impossible relationship. It cannot work out well; it cannot work out to the satisfaction of both parties concerned. One or the other, and probably both, will be dissatisfied.

Sometimes favors are curses to their recipients. You cannot satisfy the demand for easy credit with easier credit; that is like drinking salt water—it is like drinking the brine of the sea—it does not quench the thirst, it aggravates the thirst. I was reading only a day or two ago about Pericles, who installed in Athens a system of distributing public moneys from the public treasury among the people of Athens. I was reading the comment of Plato upon this policy of Pericles, written about a hundred years after the policy was instituted. Plato said that Pericles had converted the people of Athens into an idle, avaricious, self-respectless, gossip-mongering set of paupers and beggars. So said Plato in the ancient days. Of course, we have profited by what happened to them.

Mr. President, a bill was reported only a day or two ago to authorize the R.F.C. to do exactly what the other bill authorized the Federal Reserve banks to do, to make direct loans to industry. Heretofore the R.F.C. has been obliged to lend through financial institutions, or to lend through mortgage concerns adapted to or created for that purpose. That did not go far enough, and it did not go fast enough. The bill was first rejected by the Committee on Banking and Currency, but the campaign was renewed with irresistible vigor. Pressure was brought to bear; the R.F.C. must not be discriminated against, and that bill now stands here upon the calendar, and of course it will pass.

I want to say, in this connection, that I have the highest regard for Jesse Jones. I think he is one of the ablest men connected with this administration, or with the previous administration. I think that for the place he now holds, he is one of the best-fitted men in the entire country, if not the best.

Mr. President, this thing is a disease. It is a creeping paresis. I believe it is said that whenever erysipelas strikes the mucous membrane, death ensues. I hope this financial erysipelas will not reach the mucous membrane of the Nation.

I may astound others when I say that I am in favor of creating another set of financial institutions. Every man wants his particular set or his particular litter of banks. We are preparing a bill in the Committee on Banking and Currency to establish a dozen banks in a dozen different districts authorized, and not only authorized, but directed, to lend money, without security and without interest, to the members of the old fiddlers' union.

The old fiddlers' union has been neglected. It resents this neglect and still more its isolation. Not a thing has been done for it in recent years. In other years Democrats put catgut and fiddle strings on the free list, but along came the irreverent Republicans and placed them back on the dutiable list.

The members of the old fiddlers' union have votes. They have families who vote, and they have influence. We did strike a deadlock on this. Nobody on either side was disposed to make the old fiddlers mortgage both the fiddle and the bow. That would have been an inordinate exaction. Besides, the old fiddlers met in convention and declared they would vote against anybody who voted for any such proposition. So the only question was whether to have them

mortgage the fiddle or mortgage the bow only. Personally, I say "fiddlesticks." [Laughter.]

I have said this, Mr. President, in order to reduce this matter to what I believe they used to call in geometry a *reductio ad absurdum*.

Mr. President, I desire to add one further observation. I wish to express the hope that the Congress will not make the mistake, will not commit the blunder that was committed by Congress in 1864 with respect to legislation of like character to this.

Early in the Civil War this country skidded off the gold standard or rather off a metallic basis. After the green-back measure was passed the country was on a paper standard and remained on a paper standard for some 18 years. When we went on a paper standard gold became merchandise as well as money, and, like any other merchandise, it was bought and sold and dealt in and speculated in, if you please, like any other merchandise in the market place. It went to a high premium, as high as 84 or 85 percent early in 1864.

Importers were obliged to pay customs duties in gold. They had to make provision in advance for the gold which would be required when goods were received at ports. Importers had to make payments for imported goods in gold or in foreign exchange purchased with gold. Necessarily they had to provide themselves in advance or assure themselves in advance that the gold or the foreign exchange would be available when the goods reached port and had to be paid for. As I say, the result was that gold went to a premium of 84 or 85 percent early in 1864.

A great many of our people, many of our statesmen, many of the politicians, jumped to the conclusion that gambling in gold was responsible for all our financial ills. I say "statesmen" shared that conviction because Salmon P. Chase, then Secretary of the Treasury, urged the passage of the so-called "gold bill", and declared that if that measure should not remedy then existing evils he would resign his high position as Secretary of the Treasury.

The so-called "gold bill" passed on June 17, 1864. On that day gold was selling at \$1.84, at a premium of 84 cents. Within 1 week gold shot up to \$2.84, the premium advanced 100 points in less than a week; the premium doubled in less than a week.

And mark you, gold was being bought and sold in the market place and the law referred to made it a high crime to buy and sell gold for delivery 1 day subsequent to the date of the sale. It made it a high crime to buy foreign exchange for delivery more than 10 days subsequent to the date of purchase. One authority said that the act bristled with penalties. The minimum fine was \$1,000; the maximum was \$10,000. The minimum imprisonment, I believe, was 3 months and the maximum, perhaps, 2 years or 5 years; and a reward was given to informers who furnished evidence for the conviction of gamblers in gold. Within a week after the passage of that measure gold went up more than 100 points, from 184 to 284.

On the 30th of June, Secretary Chase, true to his word, resigned his office as Secretary of the Treasury. On the 2d day of July, 15 days after the enactment of that economic measure, the Congress repealed the so-called "gold act." One historian said Congress "shamefacedly" repealed the gold act. Within 2 days gold sold off 50 points. After a few days varying with bad news it settled down to the level or to a lower level than that which prevailed at the time Congress made their adventure into economic legislation.

Mr. President, most of our economic legislation like that simply makes it hard to do what has to be done.

I apologize to the Senate for having taken this time. I wish now to call attention to only one further point in the bill, and I shall offer no amendment. I refer to page 2, line 3.

Section 2 of the bill is a stump speech, and it is an eloquent one. I do not discredit it. It declares that transactions on the stock exchange are affected with a national

public interest. I suppose that is to provide a constitutional peg on which to hang the proposed legislation.

Mr. President, the Supreme Court of the United States has held that the question as to whether a property is affected with a public interest is a question of fact, not a question of law. They have held that it depends upon the size and the importance of the property and the use to which it is devoted.

I believe the case of *McFarland v. American Sugar Refining Co.* (241 Sup. Ct. Repts.), decided that point. The Legislature of Louisiana undertook to impress a sugar refinery with a public interest. The Supreme Court of the United States held that that was not a question of law but was a question of fact, and since the days of Lord Chief Justice Hale it has, of course, been a recognized principle of law that a private individual by subjecting his property to a public use can invest the public with an interest in the property, and to the extent of such interest, it is subject to regulation. That principle was laid down in the case of *Munn v. Illinois* (94 U.S. Repts.), which is the leading case in this country on the subject.

No mere phraseology like that, no mere abracadabra of that sort, can change the character of these transactions. I do not know whether a transaction can be impressed with a public interest or not, as private property dedicated to public use can be impressed. I do not know, and I am not particularly concerned about that point. I merely wished to raise this point so that if the question should come before the Supreme Court, it would not be thought that it had been passed entirely unnoticed.

I wish now to make a request. I introduced a bill on this subject. I shall not offer it as an amendment, but I do ask to have it printed in the RECORD. It is based on the report prepared by Assistant Secretary Dickinson and his committee. I think it would be wiser legislation than the pending bill, but I do not propose it as an amendment. I also ask to have printed following my remarks a newspaper article with the heading, "Plea to Congress for 486,000 Firms." Among the signers of this plea I note the name of a prominent citizen of Oklahoma.

There being no objection, the bill and newspaper article referred to were ordered to be printed in the RECORD, as follows:

(This bill based on Mr. Dickinson's report)

Be it enacted, etc., That this act may be cited as the "Stock Exchange Act of 1934."

STOCK EXCHANGE COMMISSION

SEC. 2. There is hereby established a Federal Stock Exchange Commission (hereinafter referred to as the "Commission") to be composed of the Secretary of the Treasury and the Governor of the Federal Reserve Board, who shall be members ex officio, and three members to be appointed by the President, by and with the advice and consent of the Senate. Not more than two of such appointed Commissioners shall be members of the same political party. No appointed Commissioner shall actively engage in any other business, vocation, or employment than that of serving as Commissioner. Each appointed Commissioner shall receive a salary at the rate of \$10,000 a year and shall hold office for a term of 6 years, except that (1) any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of office of the Commissioners first taking office after the date of enactment of this act shall expire, as designated by the President at the time of nomination, 1 at the end of 2 years, 1 at the end of 4 years, and 1 at the end of 6 years, after the date of enactment of this act.

LICENSING PROVISIONS

SEC. 3. (a) After 6 months after the date of enactment of this act it shall be unlawful to transmit or cause to be transmitted through the mails or in interstate commerce by any means or instruments of transportation or communication (1) any quotation of prices, or any other advice, report, or information concerning transactions on any stock exchange in any security listed, quoted, or dealt in on such exchange; (2) any offer to buy or sell such security on such stock exchange; (3) any contract, agreement, or memorandum of purchase or sale of any such security arising out of any transaction on such stock exchange; and (4) any security sold or to be sold on such stock exchange, unless such stock exchange shall have first obtained a license from the Commission as hereinafter provided and such license is in effect at the time of such transmission.

(b) Any stock exchange may make application to the Commission for a license, and such application shall be in such form

and accompanied by such information as the Commission shall by regulations prescribe. Within 30 days after the receipt of any such application, and after full opportunity for hearing, the Commission shall enter an order granting or denying the license, unless the applicant therefor withdraws the application or consents to postponement of action thereon for a period to be designated by the Commission. The Commission shall grant the license applied for if it finds that the provisions of the constitution and rules of the stock exchange reasonably guard against undue speculative activity and unwarranted manipulative practices on such exchange, and otherwise govern the activities of the exchange and its members so as to afford reasonably adequate protection for investors.

CONDITIONS OF LICENSES

SEC. 4. Each license issued to a stock exchange under this act shall contain the following terms and conditions:

(1) That no change will be made in the constitution or rules of the exchange unless the Commission, after full opportunity for hearing, has first approved such change as being consistent with the requirements of subsection (b) of section 3 for the granting of a license;

(2) That the exchange will make such changes in its rules as the Commission may from time to time require, after full opportunity for hearing, as being necessary to make such rules consistent with the requirements of subsection (b) of section 3 for the granting of a license; and

(3) That the exchange shall take such disciplinary measures as may be necessary properly to enforce the provisions of its constitution and rules.

REVOCATION AND SUSPENSION OF LICENSES

SEC. 5. (a) The Commission shall by order, after due notice and opportunity for hearing, revoke the license of any stock exchange in any case where it finds that such exchange has failed or refused to comply with any of the terms and conditions of its license; except that if, in any such case, the Commission is of the opinion that the revocation of such license will not be in the public interest, it shall suspend the license of such exchange for such period as it deems consistent with the public interest.

(b) Any order of the Commission revoking or suspending a license may be reviewed by the Court of Appeals of the District of Columbia, or the circuit court of appeals for the judicial circuit in which the stock exchange is located, if a petition for such review is filed within 1 month after the date such order was issued. The judgment of any such court shall be final, except that it shall be subject to review by the Supreme Court of the United States upon certiorari, in the manner provided in section 240 of the Judicial Code, as amended. The review by such courts shall be limited to questions of law, and the findings of fact by the Commission, if supported by substantial evidence, shall be conclusive. Upon such review, such courts shall have power to affirm or, if the order of the Commission is not in accordance with law, to reverse the order of the Commission, with or without remanding the case for a rehearing, as justice may require.

SPECIAL POWERS OF COMMISSION

SEC. 6. (a) The Commission shall have authority from time to time to make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this act.

(b) The Commission is authorized to recommend to stock exchanges licensed under this act such standards with respect to stock-exchange practices, and to gather and compile such information and make such investigations concerning transactions on the various stock exchanges, stock-market operations and practices, and related matters, as in its judgment are necessary and proper in the public interest and for the protection of investors.

(c) For the purpose of all inquiries and investigations made by the Commission under this act, any member of the Commission or any officer or officers designated by it are empowered to administer oaths and affirmations, subpoena witnesses, take evidence, and require the production of any books, papers, or other documents which the Commission deems relevant or material to the inquiry or investigation. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing.

(d) The Commission is authorized to appoint and fix the compensation of such assistants and experts, and, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint such employees, and to make such expenditures (including expenditures for rent and personal services in the District of Columbia and elsewhere and for law books, books of reference, and periodicals, and for printing and binding), as may be necessary to carry out the provisions of this act.

(e) The Commission is authorized to prescribe reasonable fees for licenses required under this act.

TESTIMONY AND PRODUCTION OF EVIDENCE

SEC. 7. (a) In case of contumacy or refusal to obey a subpoena issued to any person pursuant to this act, any United States court within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides, upon application by the Commission, may issue to such person an order requiring such person to appear before the Commission, or one of its members or officers designated by it, there to produce documentary evidence if so ordered, or there to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(b) No person shall be excused from attending and testifying or from producing books, papers, or documents before the Commission, or in obedience to the subpoena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

PENALTIES

Sec. 8. Any person who knowingly violates any of the provisions of this act, or the rules or regulations promulgated by the Commission under authority thereof, shall upon conviction be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

DEFINITIONS

Sec. 9. When used in this act—

(1) The term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, or any unincorporated organization.

(2) The term "interstate commerce" means trade or commerce, or any transportation or communication relating thereto, between any State or the District of Columbia and any place outside thereof, or within the District of Columbia.

(3) The term "stock exchange" means a market or meeting place, within the United States, controlled by rules, on or at which only members are permitted to deal with one another on their own behalf or for their customers, and on or at which securities of corporations or joint-stock companies are bought and sold or offered for purchase and sale.

(4) The term "security" means any note, stock, Treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of interest in property tangible or intangible, or, in general, any instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase any of the foregoing.

(5) The term "United States" means the several States and the District of Columbia.

[From the New York Times]

PLEA TO CONGRESS FOR 486,000 FIRMS—28 LEADERS HOLD EXCHANGE BILL UNFAIR TO CONCERNS WHOSE STOCKS ARE NOT LISTED—FEAR STRANGLING RULES—LETTER SUGGESTING NUMEROUS REVISIONS IS SENT TO ALL MEMBERS OF CONGRESS

WASHINGTON, May 6.—Twenty-eight prominent industrialists joined today in a strong appeal for modification of the Fletcher-Rayburn stock-exchange regulation bill in the interest of almost half a million corporations the securities of which are not listed on the New York Stock Exchange.

They asserted in a letter to congressional leaders that 486,000 corporations, large and small, do business in the United States, while only 1,365 are listed on the New York Stock Exchange.

The letter was prepared by the National Committee for Modification of Industrial Sections of the Securities Exchange Act. W. B. Bell, president of the American Cyanamide Corporation, is chairman of the committee.

"While ostensibly this legislation is intended only to eliminate speculative abuses from the security exchanges", the letter said, "actually more than 450,000 firms throughout the land with no Wall Street connection would be brought under the strangling regulation of a Federal bureau."

The letter was sent in duplicate to Senator FLETCHER, Chairman of the Senate Banking and Currency Committee, and Representative RAYBURN, Chairman of the House Committee on Interstate Commerce.

The House passed the bill Friday and the Senate is expected to make it unfinished business this week, probably on Tuesday.

FEW CHANGES EXPECTED

The House made few changes in the bill as reported. The Senate is expected to pass the Banking and Currency Committee draft practically in the form reported.

The committee which sent the letter is affiliated with the National Association of Manufacturers and includes leaders in industry in all sections of the country.

"This group", said Mr. Bell, "has been organized to demand for business the justice which is not now a part of the pending stock-exchange regulation bills.

"The statistics of income-tax returns compiled by the Commissioner of Internal Revenue disclose about 486,000 corporations doing business in the United States. Of this number, 1,365 are listed on the New York Stock Exchange and on all the exchanges of the country there are not more than 3,000 listed securities. Some 75 percent of these corporations do not have an annual income in excess of \$25,000.

"Yet this legislation assumes that in order to obtain the purging of the stock markets, with which industry is in sympathy, it

is necessary to require numerous reports from all of these thousands of small corporations that have no connection whatever with the stock market. The additional bookkeeping and accounting which would be necessary to meet the requirements of Federal regulation would place an unbearable financial burden upon many of the small corporations."

THE TEXT OF LETTER

Following is the text of the letter:

"The undersigned are a self-constituted committee representing the business corporations of which they are executives and many other business corporations of this country who have requested that we represent them.

"We are sending this letter to you to express the conviction, which we all have, that a serious mistake has been made by your committee in failing to give heed to the statements which have been presented to you urging further modifications of the provisions of the National Securities Exchange Act of 1934, which affect corporations, in addition to those made by your committees before reporting this bill to the Senate and the House of Representatives.

"The bill in the form presented by both committees retains, however, many provisions which extend its scope far beyond the regulation of exchanges and speculation. The business corporations of this country are no part of the stock exchanges.

"The latter may be the proper subject matter for regulation by Congress in order to prevent in the future the abuses of the past and to control harmful speculation by the public. But there is no justification for subjecting the more than 450,000 corporations of the United States to regulation by the Federal Government through a commission under the powers granted by this bill.

"Of these 450,000 corporations, only a few hundred have securities listed on any national exchange.

CALLS FOR FURTHER AMENDMENTS

"We recognize that both of the committees, particularly the House committee, have made a number of constructive amendments to the bill. We also recognize the helpful results which have been accomplished through the efforts of many of the members of the committees, who have realized the dangers to business corporations of the country from the drastic provisions of the bill in its earlier forms.

"However, it is apparent that a majority of the members of the committees have failed to consider the effect of many of the sections of the bill in its present forms, and to realize that in order to relieve such corporations of unfair burdens it is essential to make further amendments.

"The sections referred to below all require further amendment in both drafts of the bill in order to meet the objections which are expressed in the comments referring to each section. The specific amendments required to each draft to accomplish this purpose will be different, since some of the changes which have been made by one or the other committee partially meet certain of our objections.

"1. Registration requirements for securities and periodicals and other reports (secs. 12 and 13, Senate bill; secs. 11 and 12, House bill).

"These sections impose burdens on corporations by requiring information which is not necessary to protect investors and much of which is of a confidential nature, which may become public under the later section which relates to the public character of information. The power given to the Commission to dictate the form and detail of the reports required by these sections is too broad and unless greatly limited would result in burdensome regulations which would add excessive costs to business enterprises. A corporation should have the unqualified right to withdraw its securities from registration on reasonable notice.

SECTION ON PROXIES CRITICIZED

"2. Proxies (sec. 14, Senate bill; sec. 13, House bill).

"Paragraph (a) of this section does not in any way relate to speculation or regulation of security exchanges. It gives the Commission a broad power to regulate stockholders' proxies and so to interfere in the conduct of business corporations.

"3. Over-the-counter markets (sec. 15, Senate bill; sec. 14, House bill).

"This section affects more than 450,000 corporations which have no listed securities. It gives the Commission power to require registration of such securities. It therefore subjects to the Commission's control every corporation whose securities are sold through dealers or brokers on any market no matter how limited or how local. This section should be omitted.

"4. Directors, officers, and principal stockholders (sec. 16, Senate bill; sec. 15, House bill).

"This section should not apply to stockholders. It is unwise to discourage large investments in stocks of industrial corporations. Such stock holdings create interest in corporate affairs which is both a check on and an aid to management. In the Senate bill the provision, subsection (b), imposing liability is unfair and should be omitted.

"5. Liability for misleading statements (sec. 18 Senate bill, sec. 17 House bill).

"The liability under this section should be limited to false statements. Liability for misleading statements in the cases covered by this section is unwarranted. The provision in the Senate bill in regard to omissions is particularly dangerous.

WOULD LIMIT LIABILITY

"6. Liability of controlling persons (sec. 20 Senate bill, sec. 19 House bill).

"This section should be substantially modified. Liability of a controlling person should be limited to cases where the controlling person makes use of other persons in order to evade the act.

"7. Public character of information (sec. 23 Senate bill, sec. 23 House bill).

"This section should be more strictly limited. The Commission should only have power to disclose information which is essential to protect investors. In no event should it have power to reveal information which will damage the business of the corporation through disclosures of confidential information to its competitors, both domestic and foreign. Such disclosure is certain to result in loss to investors.

"8. Validity of contracts (sec. 28 Senate bill, sec. 28 House bill).

"The provisions of paragraph (b) of this section may render any number of commercial contracts void, with disastrous results on innocent parties. The effect of the act on contracts made in violation of its provisions should be governed by ordinary common-law principles.

"9. Penalties (sec. 30 Senate bill, sec. 32 House bill).

"These provisions are unnecessarily severe. Congress assumes a serious responsibility when it gives to a commission extraordinary power to make rules and regulations the violation of which is made a criminal offense punishable by excessive fines and imprisonment. In effect the bill gives the Commission power to write a criminal code.

OTHER CHANGES SUGGESTED

"In a letter of this kind we have limited our comments to the more important provisions of the bill, but additional changes in the wording of other sections are required to make them conform to the purpose of the changes proposed above, the details of which cannot adequately be set forth herein.

"These proposed changes in the bill will not weaken those provisions of the bill which are appropriate and essential to the proper regulation of the stock exchanges of the country and speculative trading on these exchanges. They will, however, relieve the business corporations of the country from those burdens which would increase substantially the cost of their operation.

"In its present form the bill sets up a barrier to the free flow of private capital into industrial enterprise, so essential to reemployment of labor and to the furnishing of capital for immediate recovery. We urge the passage of amendments necessary to accomplish our objectives.

"In order that the Members of the Senate and the House of Representatives, before whom the drafts of the bill are now pending, may be fully informed concerning the point of view with reference to them, we are sending a copy of this letter to each Member of Congress."

SIGNERS OF LETTER

The letter was signed by the following: W. B. Bell, chairman, president American Cyanamid Co., New York; George M. Laughlin, chairman Jones & Laughlin Steel Co., Pittsburgh; Edgar M. Queeny, president Monsanto Chemical Co., St. Louis; W. C. McFarlane, president Minneapolis-Moline Power Implement Co., Minneapolis; F. C. Rand, chairman International Shoe Co., St. Louis; H. S. Wherrett, president Pittsburgh Plate Glass Co., Pittsburgh; John H. Wiles, chairman Loose-Wiles Biscuit Co., Kansas City; Louis K. Liggett, president United Drug Co., Boston; James F. Bell, president General Mills, Inc., Minneapolis; Donald Comer, president Avondale Mills, Birmingham; Theodore Swann, president Swann Corporation, Birmingham; Thomas H. McInnerney, president National Dairy Products Corporation, New York; S. Bayard Colgate, president Colgate-Palmolive-Peet Co., Chicago; F. W. Lovejoy, president Eastman Kodak Co., Rochester; E. M. Allen, president Mathiesen Alkali Co., New York; Frank Phillips, president Phillips Petroleum Corporation, Bartlesville, Okla.; Charles R. Bortoroff, president Belknap Hardware & Manufacturing Co., Louisville; Roland J. Hamilton, president American Radiator Co., New York; Daniel Peterkin, president Horton Salt Co., 208 West Washington Street, Chicago; Edward Clark, president Cerro de Passo Copper Corporation, New York; George E. Scott, American Steel Foundries, Chicago; Samuel W. Reyburn, president Associated Dry Goods Corporation of New York; R. S. Shainwald, president the Paraffine Companies, Inc., San Francisco; Charles Bancroft, president United Shoe Machinery Co., Boston; W. F. Rockwell, president the Timken-Detroit Axle Co., Detroit; C. A. Liddle, president Pullman Car & Manufacturing Co., Chicago; Sewell Avery, president United States Gypsum Co., Chicago; T. M. Girdler, chairman Republic Steel Corporation, Cleveland; F. A. Merrick, president Westinghouse Electric & Manufacturing Co., New York.

Mr. FESS. Mr. President, I am of opinion that all Senators who have listened to the remarks of the Senator from Oklahoma [Mr. GORE] will agree with me that they have heard one of the most logical as well as one of the soundest and sanest addresses that has been delivered in this Chamber for many a day. We always listen to the eloquent Senator with appreciation, as well as edification, but he has dealt today with more or less of an abstract view of an abstract question, and has strongly reinforced his points by citation of concrete measures which have already been enacted into law.

When those who take the time to read the RECORD read what the Senator from Oklahoma has said, they will find

an unusually accurate recital of what has taken place in the form of legislation, in an attempt to relieve, if not to cure, a situation which affects our credit and financial system.

The Senator from Oklahoma has emphasized the principal ills from which we are suffering, and which many people think can be cured by artificial methods, totally ignoring all the force of economic law.

The Senator is a man who is not easily swayed by arguments in favor of artificial methods of cure. He made several statements which ought to have further study by our people when they are thinking of the conditions under which we are living.

The Senator spoke of the only two sources of funds for investments: One is from the income and savings of the people; the other from the Public Treasury. Mr. President, I should like to adopt the speech of the Senator from Oklahoma as my own. I wish I were able to present such a speech. I only take the time now to make a little further comment on one or two points which he did not develop.

The question of the source of funds for investments—with which we are dealing in this bill—ought to have had further light thrown upon it; and if it had not been for the fact that I did not want to interrupt the Senator, I should have asked him the question so I would have gotten his judgment on it: What proportion of the savings and income of our people, which ought to be the primary source of all investment, is now being absorbed by Government financing? It must be obvious to everyone that in the financing of the Government the money must come from some source; and if Government financing goes far toward absorbing the income and savings of our people, then what will be left for actual investment in industry, and how will industry recover in view of that situation? I should like very much to have had amplification of that particular problem which is before us from a Senator with such a mind as that of the Senator who has just spoken.

It is true that in normal times Government obligations, if they must be met by borrowing instead of taxation, take the form of long-term financing. Ordinarily every substantial financial institution of the country which desires its reserves in a safe place puts them in the long-term financing of Government; but there is not any man of any thoughtfulness who does not know that now such financing has ceased to be an investment on the part of any great banking institution in America. Instead of the Government being able to meet its obligations by means of long-term financing, it has to resort to the short-term financing, and there is no one who does not know that short-term financing absorbs the income and savings of our people, while if the Government's needs were taken care of by means of long-term financing the income and savings of the people would not be so largely absorbed in that manner. As we are abandoning long-term financing because of necessity and confining ourselves to short-term financing, we are absorbing the liquid assets in the form of income and savings which have always been the basis of industrial investments.

We are now discussing the question of the floating of securities and whether by this proposed legislation we shall clog the channel through which they flow. Such securities would naturally depend in ordinary conditions upon the income and savings of the people of the country, which, if absorbed by the Government's financing, will not be available for such investment. That is the particular phase of the discussion of the Senator from Oklahoma upon which sometimes at his leisure I should like to have him expand, because it is, in my judgment, one of the most serious financial situations confronting us today.

Mr. President, the danger from legislation such as is now pending is not so much contained in the wording of the legislation. Rather it results from the uncertain state of mind which the whole country is in which leads us to legislate from impulse rather than from judgment. That was evidenced in the passage of the National Securities Act. There had been so much done which ought not to have been allowed during the boom time that there was a profound prejudice against the buying and selling of securities as well

as the issuance of securities, and when the suggestion came before us, which had been before the public for months previously, that something should be done in the form of legislation to correct abuses with respect to floating securities, there never theretofore having been enacted anything like a national "blue sky" law, there was a general response to that suggestion. There were very few who did not rather sympathetically regard the proposal.

I happened to be a member of the Ohio constitutional convention which gave sanction to one of the first "blue sky" statutes to be enacted in any State of the Union. I recall that when we were discussing it well-poised men wanted to know how far we were going to go in an attempt to protect the foolish man who never seemed to be impressed with "let the buyer beware." While that question did appeal to some of us, we were impressed with the advantage being taken of the public in the floating of securities which really had no sound basis. Consequently I have been more or less sympathetic with blue-sky legislation. But such legislation had up to recent times been limited to the States.

Bills to effect "blue sky" legislation often have been introduced in the House. One Member from Illinois persisted in his endeavors to have national recognition given to that form of legislation, but he never could induce his colleagues to go to the extent of putting it on the statute books.

This sort of legislation, therefore, is not new. It has been before the country in the form of State legislation for years and years. There is some justification for it, but it ought never to be the result of impulse, and its prime objective should not be to penalize. We ought not to put our eye merely upon the misfeasance and lose sight of the real structure which we may destroy because we do not like what someone has done. That is the danger in the National Securities Act.

I was sympathetic with that measure, but it went to such extent that, of course, I could not support it. I was one of the Senators who withheld his support for a time, until there was a slight modification, and finally under the pressure of that line of argument which would indicate that "this or nothing will be passed", I voted with reluctance for the bill.

The very thing I was afraid of has taken place. The thing that I ought to have known would occur when legislation is passed under such stress, did occur, and the legislation went too far in its effect.

The PRESIDING OFFICER (Mr. ERICKSON in the chair). The hour of 2 o'clock has arrived, after which time, under the unanimous consent order, no Senator shall speak more than once or longer than 15 minutes on the bill, or more than once or longer than 15 minutes on any amendment that may be pending, or may be offered.

Mr. FESS. Then I shall be permitted to proceed under the limitation, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. FESS. Mr. President, the law to which I refer was too rigid. The Senator from Oklahoma has related the facts about the literal clogging of the channel for floating corporate securities. We ought to have known that that would be its effect, and that whatever obstructs or prevents the floating of corporate securities strikes at the very heart of recovery and is directly against it.

Take the case of the production of what are known as heavy durable goods, as discussed by the Senator from Oklahoma. The production of such goods cannot be wholly financed by borrowing. There is not a bank in America that will loan to an institution that is in the red. Under the law they are forbidden to do so, and no manager of a bank would permit it. A reorganization might be necessary in order to enable an industry running "in the red" to obtain relief; and unless there shall be some way by which securities may be floated there can be no increase of an old business and there will be no beginning of a new business.

Let me illustrate what I mean. Let us say a new business is started; it wants to borrow its initial capital; but no bank is going to loan on the good will of that new institu-

tion, and no bank will loan on its future prospects. However, under proper management, that corporation could issue its stocks, preferred and common, limiting the preferred issue to its actual value, and permitting the common stock to express its prospective value. People who are informed as to the enterprise, and have confidence in it, would be willing to purchase securities issued by such a corporation which has great promise though not enough assets, to begin with, to secure financial assistance from any bank. Under the National Securities Act such issuance of securities is virtually clogged entirely.

That act has had the effect of blocking the issuance of necessary corporate securities, without which there will be neither revival nor any increase in business; and yet, through pride of opinion, with even the President suggesting that there ought to be a modification of that act, we are not able to have it brought before us for consideration. Why is that? It is because of the impulse which is the ruling one in the American mind today. We may be able to get some modification of the Securities Act along the line of what is absolutely essential by an amendment suggested by the Chairman of the Committee on Banking and Currency being attached to the pending bill, but there is a hesitancy, as is obvious to everyone, to reconsider the bill in the form in which we passed it a year ago and to modify it. That is why we ought to go slowly with legislation such as is now pending before us.

I appreciate what the Senator from Delaware [Mr. HASTINGS] said the other day in his appraisal of the force of public opinion on legislation to the effect that if it were not for the state of mind in which we were we would not pass such an act as this which is now proposed. There was a rather striking example of the opposite of that statement here the other day when the amendment was offered to forbid dealing in margins. That amendment struck at precisely the most unpopular practice of the stock exchange, and appealed almost to every individual who has studied stock-exchange operations. The purpose of that amendment was to prevent a practice of the stock exchange which is the subject of universal criticism. However, there was not anyone here who could properly estimate the effect of that amendment had it been adopted. The sympathy of Senators on this side of the aisle would be favorable to it if it should not be so framed as to go further than was the intention of the proponent of the amendment. When, however, it is realized what effect on a great institution the limitation of what we all condemn might have, not knowing how far beyond that the proposed measure might go, we hesitate. If the action of this body were wholly determined by popular acclaim, there would not have been a single vote against that amendment, because it would have been the popular thing before the public to have done.

However, I am convinced that there is great value in the stock exchange as an institution. I should not want to emasculate it. I know, as does everyone else, that if we should forbid a certain practice that has come to be common on the New York Stock Exchange it would be only 1 month until that activity would be transferred to Montreal, across the border. If I knew that there was no value or advantage to be lost, and a movement of that kind were only for good, I would not hesitate; but I am afraid, without proper information, to go to the extent of destroying probably an institution which I think is of value.

Mr. President, I cannot join the group who feel that there is no good purpose served by the stock exchange. I am of the opinion that there is great value in having a place which is properly organized where one may sell securities issued by new or old corporations. I say that as one who never saw the operations of the exchange; never, to my knowledge, have I bought or sold anything as the result of the operations of the stock exchange; but the question is involved whether we should keep within the bounds of caution when we are legislating in the form of providing penalties.

Mr. President, there is another point of which we must not lose sight. We all desire recovery. There is not any-

thing so important to America today as recovery. Our only difficulty is in finding the way by which it may most speedily be brought about. Some of us are afraid to justify any means which may be employed merely because of the end desired, and especially are we afraid if the end is not assured. We sometimes proceed on the theory that we want to accomplish a certain result, and we would choose other methods if we could avoid those suggested, but we cannot do so, and therefore we adopt questionable methods in order to attain a justifiable end. That is always of doubtful wisdom; and to assume that such a course is justified when we are not certain that the means will bring about the desired end is certainly not wise. That is our difficulty here.

There is no one who does not want to cure the abuses of the stock exchange, unless perhaps it be some person who wants to profit personally on the stock exchange. Probably there are people of that kind, but I am speaking now of Senators and Representatives in Congress. There are none of them who do not want to cure such abuses. The only question is whether in our attempt to do that we will not do more harm than good.

I wish to call attention to the fact that in our desire for recovery we are under a terrific burden to take care of conditions during the interim before recovery shall have returned. We are under a terrific burden in the form of relief; we are running a deficit this year of nearly seven and a half billion dollars; we are paying out that much more than we take in. That is caused by our effort to meet the unusual problems which confront us; it is so in spite of the fact that we are increasing the burdens of taxation. The House sends to us a bill carrying \$280,000,000 of new taxes. In this body we increase it to nearly \$500,000,000. It goes to conference and comes out carrying \$417,000,000. That, without doubt, is essential and in a degree it relieves somewhat the deficit, though not in any material way. But think of the small part of the enormous deficit the Government must meet that will be satisfied by this increased taxation.

What we are doing is to increase constantly the burdens on business in the form of new taxation in the hope of balancing the Budget. We will not balance the Budget because it is impossible. That cannot be done by taxation. We will have to take care of it by future borrowing. Notwithstanding that we cannot balance the Budget, we will continue to increase taxation. To the degree that we increase it we make the burden on business that much heavier. Every time we add new expenses to governmental operations we place heavier burdens upon business.

That is on the one side. On the other side we strike at business by making it impossible for the business man to freely float the securities necessary if he is to put himself on a basis where he can pay any tax, particularly the increased taxes. We are trying by a form of penalization to cure some of the malfeasance in an organization whose members, whether they violate the rules or not, have no command of or brake upon the ambitions or desires of people to speculate. I do not know how we are going to control that situation. We can destroy the work of the stock exchange if that is desired, but I do not believe that would be a wise course to pursue.

The PRESIDING OFFICER. The Senator's time on the bill has expired.

Mr. FESS. I will take my time on the pending amendment.

Mr. President, I am speaking of our acting on impulse here. We have our eye on gambling. We want to stop it, but the danger is that in order to prevent somebody doing what he should not do we may go to the extent of destroying the very structure we would like to preserve. Of course, those who think there is no function that is justifiable in the stock exchange will have no alarm because of anything of that sort; but those of us who believe there is a function of national importance in maintaining a stock exchange upon which securities may find a market, consider it quite necessary to be guarded in our legislation, and that instead

of having a punitive element as the imperative and major item of legislation, we should keep in mind maintaining the structure. That was an error into which we fell in the consideration and passage of the National Securities Act. If we fall into a similar error here, as I think we are doing, it will not be a year until we will be called upon to modify what we are about to do.

I desire to repeat what I said a while ago. The only way to recovery, which is the big thing in the minds of everybody, is to find the means whereby industry and business can employ labor. There is no other way. Any other way is merely relief in the name of reform, but it is not recovery. There is no better way to employ the unemployed on a sound basis, without bankrupting the Treasury of the United States, than to find a way for business enterprise to pursue and increase its activities. We must, therefore, depend upon the man who is paying the taxes. We are now increasing the burden of taxation upon him, and, on the other hand, making it more and more difficult for him to make the necessary money with which to pay his taxes.

If we could eliminate the evils we want to get rid of without destroying the organization which we should like to maintain, I would go along with those who are pressing the bill. But I pursued that course in connection with the securities against my own better judgment. I now see the result of that course. I see the apparent impossibility of inducing those who were back of it to admit the error and to seek an improvement of that act by amendment. There are those in this Chamber, I assume, who will not admit there is anything wrong with the National Securities Act and who argue against any amendment of it on the ground that such proposals are mere propaganda by selfish interests.

We will have exactly the same result, I fear, under the stock-exchange control bill now before us. If we would put the emphasis upon trying to maintain the structure without emasculating it in the effort to prevent some malpractice that has taken place in the past, I would have sympathy with it; but as it is I cannot, unless substantial amendments are made, support the measure. I made the mistake when the National Securities Act was before us under a protest that I offered at a time.

The twelfth and thirteenth sections of the bill before us should be amended in the form suggested by the Senator from Connecticut [Mr. WALCOTT]. Some modifications suggested by the Senator from Oregon [Mr. STEIWER] have already been made, but many he suggested have been rejected. If the bill could be amended so we could be sure the stock exchange would still remain as an instrument for the sale or flotation of necessary securities, I would not hesitate to support the bill, but as it is written I cannot give my approval to it.

CHICAGO WORLD'S FAIR CENTENNIAL CELEBRATION

Mr. LEWIS. There are upon the table the amendments of the House of Representatives to the Senate bill relating to the Chicago Exposition and the appropriation therefor which I ask the Chair to lay before the Senate.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3235) to amend an act entitled "An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes", approved February 8, 1932, to provide for participation in A Century of Progress in 1934, to authorize an appropriation therefor, and for other purposes, which were, on page 2, line 9, after the word "buildings", to strike out down to and including "Progress", in line 12, and on the same page, line 21, to strike out "\$405,000" and insert "\$200,000."

Mr. LEWIS. The bill has been amended in the House of Representatives from the form in which it was passed by the Senate. I desire, sir, to move that the Senate agree to the amendments of the House, being in the nature of a complete substitute, without asking for a conference and without seeking to have the measure returned to the House.

I wish the Senate to agree to the amendments of the House and adopt the bill, as amended, as it now stands.

The PRESIDING OFFICER. The question is on the motion of the Senator from Illinois.

The motion was agreed to.

REGULATION OF SECURITIES EXCHANGES

The Senate resumed the consideration of the bill (S. 3420) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes.

Mr. AUSTIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hebert	Pittman
Ashurst	Costigan	Johnson	Pope
Austin	Couzens	Kean	Reynolds
Bachman	Cutting	Keyes	Robinson, Ark.
Bailey	Davis	King	Schall
Bankhead	Dill	La Follette	Sheppard
Barbour	Duffy	Lewis	Shipstead
Barkley	Erickson	Logan	Steiwer
Black	Fess	Loneragan	Stephens
Bone	Fletcher	McCarran	Thomas, Okla.
Borah	Frazier	McGill	Thomas, Utah
Brown	George	McKellar	Thompson
Bulkley	Gibson	McNary	Townsend
Bulow	Glass	Metcalf	Trammell
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Clark	Hatch	O'Mahoney	Walsh
Connally	Hatfield	Overton	Wheeler
Coolidge	Hayden	Patterson	

Mr. LEWIS. I wish to announce the absences announced on the previous roll call, to which I desire to add a note of the absence of my colleague [Mr. DIETERICH], who has been called away to the State of Illinois by official business.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Delaware [Mr. HASTINGS].

Mr. HASTINGS obtained the floor.

Mr. LEWIS. Mr. President, will the Senator from Delaware yield to me?

Mr. HASTINGS. I yield.

Mr. LEWIS. May I interrupt the Senator from Kentucky [Mr. BARKLEY], having partly in charge the pending bill? I desire to call attention to the fact that in the State of Illinois, particularly in the city of Chicago, the school teachers have had a rather unfortunate experience in not being able to collect their pay. The city has issued tax warrants, and the teachers own these warrants in a very large sum. They anticipate further security. They desire to create a company or bring about an arrangement by which these certificates, though held by themselves, may be floated in such form as the local law will allow, perhaps to be sold in their own home, to be cashed where they may be. They are now concerned and report this morning the fear that they would have to get consent under the pending bill before they could place such warrants upon the market. I have advised to the contrary.

Without disturbing the bill by offering an amendment, I ask my able friend from Kentucky if he will give his judgment as to whether the bill would require the school teachers and their company first to appeal to the commission before they could float the warrants given them as compensation?

Mr. BARKLEY. Mr. President, in reply to the Senator I will say that it is inconceivable that any such warrants, or the stock of any company organized on that basis, would have to be listed on any stock exchange so as to bring them under the jurisdiction of the commission set up in this measure. There are provisions in the bill which exempt such local securities that are predominantly sold and bought intrastate from the operation of the bill; so it is hardly possible

under any circumstances that an organization of that sort would have its certificates of stock, based upon an emergency created by the teaching situation in Chicago or elsewhere, brought within the jurisdiction of the bill.

Mr. LEWIS. And the able Senator does not feel that it is necessary to present an amendment to the bill to that effect?

Mr. BARKLEY. I do not.

Mr. LEWIS. I thank the Senator from Delaware for yielding to me.

Mr. HASTINGS. Mr. President, I inquire of the Senator from Kentucky whether it is not true that before a broker could deal in such warrants at all, and sell them to anybody in Indiana, for example, the provisions of this bill would have to be complied with?

Mr. BARKLEY. The bill specifically exempts local stocks that are dealt in predominantly intrastate. That is, it might be possible to sell a few shares across a State line without their being brought under the jurisdiction of the bill; but if they are in the main dealt in, even by a broker, wholly within a State, the bill itself exempts them; and the commission could exempt them even without such a provision.

Mr. HASTINGS. That is true because of the amendment adopted at the suggestion of the Senator from Michigan [Mr. VANDENBERG]?

Mr. BARKLEY. In part. There was another provision already in the bill at another place which did the same thing under slightly different circumstances; but the two provisions together, I think, amply take care of the situation.

Mr. HASTINGS. Mr. President, the amendment now before the Senate relates to section 12; and the amendment proposed is very largely the language used in the House bill. There are two or three exceptions to which I desire to call attention.

Section (K) is stricken out, which refers to—

Any further financial statements which the Commission may deem necessary or appropriate for the protection of investors.

I think that language is not in the House bill, and it is proposed to be stricken out by the amendment.

There are one or two other changes which are not of very great importance. The particular one which to me is of importance is to be found on page 28, paragraph (1) of subsection (b). That language by this amendment is proposed to be stricken out. I referred to it yesterday in discussing the bill. It provides that a security may be registered on a national securities exchange upon application by the issuer by filing with such exchange and with the commission—

(1) An agreement by the issuer—

And then, in parentheses, there is language which does not mean anything:

(which shall not be construed as a waiver of any constitutional right or any right to contest the validity of any rule or regulation) to comply with the provisions of this act and any amendments thereto and with the rules and regulations made or to be made thereunder, and not to lend any funds (except upon exempted securities) at the money post of any exchange or to any member thereof, or to any broker or dealer who transacts a business in securities through the medium of any such member, except in accordance with such rules and regulations as the commission may prescribe as necessary or appropriate in the public interest or for the protection of investors: *Provided*, That the provisions of this paragraph in regard to lending shall not apply to a member bank of the Federal Reserve System.

Mr. President, I call attention particularly to section 8, which makes these various acts illegal. It provides that it shall be illegal—

Directly or indirectly—

(a) To borrow in the ordinary course of business as a broker or dealer on any security (other than an exempted security) registered on a national securities exchange except (1) from or through a member bank—

And so forth.

The important thing—and I should like to know why it is important—from the point of view of those who drafted the bill, is to compel a person to agree not to do these various things.

After provision is made that the person shall enter into an agreement, it is provided—

Which shall not be construed as a waiver of any constitutional right of any right to contest the validity of any rule or regulation.

I do not quite understand why they want to get the issuer of the security on record, in the form of an agreement, not to violate a particular law, because it must be admitted that if the law itself is valid, and if the rules and regulations made by the commission are valid, and the person entering into the agreement has brought himself within the law by offering his securities for sale, then certainly, it seems to me, the point of compelling him to sign a paper that he will abide by the laws and rules made by the commission must have back of it something which those of us who have studied the bill do not quite understand.

I am not certain whether or not that is intended to apply particularly to over-the-counter markets. It will be observed that it is not every corporation that is to be affected by the bill, except that some broker or dealer may want to sell the securities of the corporation. I can conceive of a situation where a corporation would want nothing to do with the sale of its securities at all, would not be interested in whether they were sold or were not sold. The corporation may have received the money for the securities in the first place, they may be in the hands of the public, may not be on the stock exchange, and may never have been on the stock exchange. But some local dealer may have been dealing in those stocks, and he would like to continue to deal in them. He cannot do so legally unless the corporation complies with the law.

I do not quite understand whether this provision is intended to affect that sort of case, or just what its purpose is, and, not knowing why it is included, I have proposed my amendment, with the idea of having the language stricken out, pointing out at the same time that the provision can be of no legitimate service, so far as I can see, to the interpretation or the administration of the law.

Mr. FLETCHER. Mr. President, of course, this amendment would change the effect of the bill very materially if it should be agreed to, and we are opposed to it.

The Senator wants to know what was in the minds of those who prepared this provision. Let me call his attention to this situation. Under the National Banking Act of 1933, the Federal Reserve Board has the power to interfere with the extension of credit by the Federal Reserve banks for brokers' loans for speculation on stock exchanges. That reaches the banks, and is very important.

It will be remembered that at one time during the period from 1928 to 1929 there were \$8,000,000,000 loaned by the banks to brokers in New York. The testimony before our committee showed that, in addition to that, the Standard Oil Co. was lending \$69,000,000 a day, that the Electric Bond & Share Co. was lending \$100,000,000 a day, that the Cities Service Co. was lending ninety-odd-million dollars, all that money coming from corporations over which the Federal Reserve Board and the Federal Reserve banks had no control, all that money coming out of commerce, industry, and agriculture and going into speculation on Wall Street by reason of high rates of interest being paid.

There must be some way whereby that sort of thing can be prevented from occurring again. It should not be permitted to occur, and this provision is aimed at that sort of situation, to furnish some sort of check on corporations which are taking money away from commerce, agriculture, and industry, and lending it out for speculation on Wall Street because they get a high rate of interest. There ought to be some sort of regulation, and that is the purpose of this provision.

Mr. HASTINGS. Mr. President, may I inquire of the Senator from Florida whether that is not covered by section 8 of the bill?

Mr. FLETCHER. I think not. It should be at this place in the bill, too.

Mr. BYRNES. Mr. President, I desire to call attention merely to the fact that the Senator's amendment would also strike from the bill subsection (K), upon which the Senate voted 2 days ago, and, by a vote of 3 to 1, retained in the bill.

It would also strike from the bill the provision as to the powers vested in the commission to secure information from

security holders owning 10 percent or more of the stock of a corporation.

The section spoken of by the Senator from Delaware, making reference to an agreement, has a very definite purpose. It is, as the Senator from Florida has said, to prevent the lending of money by corporations at the money post of an exchange.

The House struck from the bill, passed by it, subsection 1, to which the Senator objects. The Senate, I hope, will insist on this provision. The matter will then be in conference. I believe the provision ought to be retained in the bill. Certainly the amendment of the Senator would strike from the bill several sections which, in the opinion of the committee that drafted the bill, are important.

Mr. GLASS. Mr. President, certainly the stock exchange could not object to this provision, because, facing the fact that the Banking Act of 1933 was to contain a similar provision—and it has in it a similar provision—the stock exchange itself adopted a regulation prohibiting the lending of money by corporations at the money posts.

Mr. HASTINGS. Mr. President, I desire to inquire of the Senator from South Carolina whether he can explain why there is a provision in the bill compelling the issuer of the security to enter into an agreement, instead of merely making it unlawful to do certain things.

Mr. BYRNES. Mr. President, the language as to the agreement was in the original draft of the bill. After the word "act", in line 14, there were words substantially as follows, "and, so far as possible, to require those in their employ to comply with the provisions of the act." Those words were eliminated from the bill by the subcommittee having it in charge. The language as to an agreement remains.

Of course, insofar as the law is concerned, and insofar as the rules or regulations are concerned, it is not material, because it does not matter whether the corporation agrees to obey the law or not; if the bill shall become law, they will have to obey it. But as to the remainder of the section, there is the provision to which I have referred, and to which the Senator from Florida has referred, that in the agreement there would be, among other things, a stipulation not to lend money at the money post of an exchange.

Mr. STEIWER. Mr. President, will the Senator from South Carolina yield for a question on that point?

Mr. BYRNES. I yield.

Mr. STEIWER. I am not sure that the Senator from South Carolina answered the question which was propounded by the Senator from Delaware. As I understood the question, the Senator from Delaware asked the purpose of exacting an agreement of the issuing corporation. I believe that at no time in the committee did I hear any particular statement, or any elaborate statement, at least, concerning the purpose of that provision.

I confess now that I do not know the underlying purpose which actuated the subcommittee in placing in section 12, paragraph (1), which requires the agreement of the issuing corporation.

Mr. BYRNES. The subcommittee removed or eliminated the language to which I have referred, which was in subsection (1).

Mr. STEIWER. Yes; I understand what the subcommittee did, but what I am trying to ascertain is, What was the subcommittee's purpose in doing what it did?

Mr. BYRNES. In eliminating that and leaving the present language?

Mr. STEIWER. Yes.

Mr. BYRNES. The language also referred to the provisions beginning on line 16, with regard to not lending any funds except upon exempted securities at the money post of any exchange, and so forth, and was left in because there would then be specific power in the commission to regulate that matter, as to which there would be some doubt if it were not left in the bill.

Mr. STEIWER. On my own account I have no particular objection to the latter part of the subdivision to which the

Senator from South Carolina has just referred. My objection has always gone to the earlier part of it.

Mr. President, I desire to take just a minute to tell the Senate again something of the nature of that objection.

In debating this bill at an earlier time I made the assertion that this agreement would impose upon the issuing corporations certain liabilities under which they would not otherwise be—liabilities both civil and criminal. I do not suppose that there is any chance that the Senate in its wisdom is going to eliminate this provision from the bill, but I think the RECORD ought to show why it is that at least one Senator is claiming that this section imposes new and unusual liabilities upon the issuing corporation.

The agreement probably is made for the benefit of investors. I am not as certain of that statement as I should like to be, but I think from the whole context and purpose of the bill, and by reason of the language contained even in this section, and possibly even in this subsection, that it is fairly apparent that this agreement is made for the benefit of investors.

I am told that in the State of New York, where most of these agreements will be made—and we know that in various States of the Union—a contract made for a consideration for the benefit of a third person is sustained at law this agreement is made between the issuing corporation and the commission and the exchange. In my opinion, it is made for the benefit of a third person, namely, the investor. Undoubtedly certain remedies inhere in this agreement in favor of that third person.

Permit me to call attention in this regard to section 27, which provides, among other things, as follows, in subsection (a):

The rights and remedies provided by this act shall be in addition to any and all other rights and remedies that may exist at law or in equity.

To me it seems perfectly clear that we may conclude from the examination of these two sections and other sections of the bill that subsection (b) (1) of section 12 is intended to create liabilities upon the issuing corporation in favor of investors who in one way or another may come in contact with the securities of the issuer.

I should have no objection even to that if there were any way to define the full scope and extent of those liabilities. Because, however, the agreement is to abide by rules and regulations which exist at the time the registration statement is filed, and, in addition, to abide by rules and regulations which subsequently may be made by the commission, there is no way to estimate what the future exactions upon the issuing corporations may be; and if I am right in my theory that this language requires of the issuing corporation a new liability to third persons, and that liability is unknown and undefined, it will inevitably follow, as I contended here 2 or 3 days ago, that this provision in the bill will tend to retard recovery by restricting operations upon the exchanges and by inducing corporations not to make any attempt to issue their securities.

To the argument I made the other day I have as yet heard no answer which in my judgment is adequate. I have heard no one contend that he has examined this language carefully and that this agreement is not made for the benefit of third persons. I have heard no one deny that this amendment creates remote and unknown civil liabilities upon the issuing corporation.

The House has eliminated the language. The Senate might well eliminate it. I think it would not weaken the bill in any substantial respect if that were done.

The argument was made here the other day by certain Senators, including the Senator from Alabama [Mr. BLACK], that in any and every event the issuing corporation which seeks to register its securities would be compelled to abide by and comply with the rules and regulations. Of course, that is true. So far as criminal liabilities are concerned, I do not believe there is any difference whether we permit this section to remain or take it out; but so far as civil liabilities are concerned, there are such grave possibilities

that it seems to me we should be well justified in eliminating the language.

I shall not detain the Senate, because I know how futile it is to reargue a question of this kind. I merely wanted the RECORD to show that one Senator endeavored to call to the attention of the Senate of the United States the disastrous consequence which is going to come from retaining that particular paragraph in the bill.

The PRESIDING OFFICER (Mr. LOGAN in the chair). The question is on the amendment offered by the Senator from Delaware [Mr. HASTINGS].

Mr. HASTINGS. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Hayden	Overton
Ashurst	Copeland	Hebert	Patterson
Austin	Couzens	Johnson	Pittman
Bachman	Davis	Kean	Pope
Bankhead	Dill	Keyes	Reynolds
Barbour	Duffy	King	Robinson, Ark.
Barkley	Erickson	La Follette	Schall
Black	Fess	Lewis	Sheppard
Bone	Fletcher	Logan	Shipstead
Borah	Frazier	Loneragan	Stelwer
Brown	George	McCarran	Thomas, Okla.
Bulkley	Gibson	McGill	Thompson
Bulow	Glass	McKellar	Townsend
Byrd	Goldsborough	McNary	Trammell
Byrnes	Gore	Metcalf	Tydings
Capper	Hale	Murphy	Vandenberg
Caraway	Harrison	Neely	Van Nuys
Carey	Hastings	Norris	Wagner
Clark	Hatch	Nye	Walcott
Connally	Hatfield	O'Mahoney	Wheeler

The PRESIDING OFFICER. Eighty Senators have answered to their names. A quorum is present.

The question is on the amendment of the Senator from Delaware.

Mr. HASTINGS. I again ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been demanded. Is the demand seconded? Evidently there is not a sufficient number.

Mr. McNARY. I ask for a recount on the demand for the yeas and nays.

The PRESIDING OFFICER. A sufficient number have now seconded the demand, and the yeas and nays are ordered.

The legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). I have a general pair with the Senator from Iowa [Mr. DICKINSON], which I transfer to the junior Senator from Illinois [Mr. DIETERICH], and will vote. I vote "nay."

Mr. WALCOTT (when his name was called). I have a general pair with the junior Senator from California [Mr. McADOO], who is detained by illness. I therefore refrain from voting, as I do not know how he would vote. If I were at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. LEWIS. I again announce the absence of Senators mentioned by me on a previous roll call, for the reasons then assigned, and add that my colleague the junior Senator from Illinois [Mr. DIETERICH], if present, would vote "nay."

I desire also to announce the general pair of the Senator from Georgia [Mr. RUSSELL] and the Senator from Maine [Mr. WHITE], and the general pair of the Senator from South Carolina [Mr. SMITH] with the Senator from New Mexico [Mr. CUTTING].

I desire further to announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. STEPHENS], the Senator from Utah [Mr. THOMAS], and the Senator from Massachusetts [Mr. WALSH] are detained from the Senate by official business, and that the Senator from Colorado [Mr. COSTIGAN] is unavoidably detained.

Mr. ROBINSON of Arkansas (after having voted in the negative). I transfer my general pair with the Senator from Pennsylvania [Mr. REED] to the Senator from North Carolina [Mr. BAILEY], and allow my vote to stand.

Mr. HEBERT. I desire to announce that the Senator from New Jersey [Mr. KEAN] is paired with the Senator from Louisiana [Mr. LONG]. If the Senator from New Jersey were present and permitted to vote, he would vote "yea", and the Senator from Louisiana would vote "nay." I desire further to announce that the Senator from Indiana [Mr. ROBINSON] is paired with the Senator from Mississippi [Mr. STEPHENS]. I am not advised as to how the Senator from Indiana would vote if present.

The result was announced—yeas 23, nays 55, as follows:

YEAS—23			
Austin	Gibson	Hebert	Schall
Barbour	Goldsborough	Keyes	Stelwer
Carey	Gore	McNary	Townsend
Copeland	Hale	Metcalf	Vandenberg
Davis	Hastings	Patterson	Wagner
Fess	Hatfield	Reynolds	
NAYS—55			
Adams	Caraway	Hayden	O'Mahoney
Ashurst	Clark	Johnson	Overton
Bachman	Connally	King	Pittman
Bankhead	Coolidge	La Follette	Pope
Barkley	Couzens	Lewis	Robinson, Ark.
Black	Dill	Logan	Sheppard
Bone	Duffy	Loneragan	Shipstead
Borah	Erickson	McCarran	Thomas, Okla.
Brown	Fletcher	McGill	Thompson
Bulkley	Frazier	McKellar	Trammell
Bulow	George	Murphy	Tydings
Byrd	Glass	Neely	Van Nuys
Byrnes	Harrison	Norris	Wheeler
Capper	Hatch	Nye	
NOT VOTING—18			
Bailey	Kean	Robinson, Ind.	Walcott
Costigan	Long	Russell	Walsh
Cutting	McAdoo	Smith	White
Dickinson	Norbeck	Stephens	
Dieterich	Reed	Thomas, Utah	

So the amendment of Mr. HASTINGS was rejected.

CLAIMS OF TURTLE MOUNTAIN BAND OR BANDS OF CHIPPEWA INDIANS—VETO MESSAGE (S.DOC. NO. 179)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, S. 326, referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement.

The principal claims of these Indians were settled by a treaty ratified by the Indians and by the act of Congress of April 21, 1904, whereby \$1,000,000 was appropriated for the benefit of the Indians, and under which they executed a release of all claims whatsoever held by them against the United States.

If such releases and settlements are ignored or deprived of their legal effect in this instance, an undesirable precedent would be created for applications for similar relief for other Indian tribes. This would require the Court of Claims and Supreme Court to pass upon questions of governmental policy in dealing with the Indians, and upon the propriety or impropriety of the Government's action in specific cases. These are questions of a political nature which, heretofore, Congress has consistently refused to remit to the courts for review. Further, it seems to me very questionable whether the courts can be asked or required to adjudicate the rights of the Indians and the United States and, at the same time, to exercise the powers of an arbitrator.

Section 4 of the bill opens the doors of the court to the institution of suits for individual losses or claims, something which the Congress has heretofore sedulously refused to do. This section also empowers the court to entertain questions with reference to agreements and treaties which the courts have uniformly held are strictly political and not within the province of a court. Recognition of Indian title is a purely political matter and can be accorded solely by the sovereign. Section 4 of this act might fasten upon the United States liability for the payment of the value of land which they had never recognized as belonging to these particular Indians solely because some official of the United

States, minor or otherwise, had "recognized" title and occupancy by long possession as being in these particular Indians.

For the foregoing reasons, I consider the bill contrary to the best interests of the United States.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 10, 1934.

Mr. FRAZIER. I move that the message of the President of the United States, with the accompanying bill, be referred to the Committee on Indian Affairs.

The motion was agreed to.

THE AIR MAIL

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Chair may lay before the Senate at this time the amendments of the House to the so-called "air mail bill."

There being no objection, the Presiding Officer laid before the Senate the amendments of the House of Representatives to the bill (S. 3170) to revise air-mail laws, which were to strike out all after the enacting clause and insert:

That this act may be cited as the "Air Mail Act of 1934."

Sec. 2. (a) Effective July 1, 1934, the rate of postage on air mail shall be 5 cents for each ounce or fraction thereof.

(b) When used in this act—

(1) The term "air mail" means mail of any class prepaid at the rate of postage prescribed in subsection (a) of this section.

(2) The term "person" includes an individual, partnership, association, or corporation.

(3) The term "pilot" includes copilot.

Sec. 3. (a) The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points as he may designate, and for periods of not exceeding 1 year, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the term of the advertisement at fixed rates per airplane-mile. The base rate of pay which may be bid and accepted in awarding such contracts shall in no case exceed 35 cents per airplane-mile for transporting a mail load not exceeding 300 pounds. Payment for transportation shall be at the base rate fixed in the contract for the first 300 pounds of mail or fraction thereof, plus one tenth of such base rate for each additional 100 pounds of mail or fraction thereof, computed at the end of each calendar month on the basis of the average mail load carried per mile over the route during such month.

(b) In case of a determination by the Postmaster General that any bidder is not responsible or is otherwise disqualified under the terms of this act, such determination shall be subject to review in any manner authorized by law.

(c) The Postmaster General shall not award contracts for air-mail routes in excess of an aggregate of 29,000 miles, and shall not establish schedules for air-mail transportation on such routes in excess of an annual aggregate of 40,000,000 airplane-miles.

Authority is hereby conferred upon the Postmaster General to provide and pay for the carriage of mail by air in conformity with the terms of any contract therefor issued prior to the passage of this act, and to extend any such contract for an additional period not exceeding 9 months, at a rate of compensation not exceeding that provided for in the original contract: *Provided*, That the contractor shall consent in writing to the extension and shall likewise agree to comply with all provisions of this act during the extended period of the contract.

Sec. 4. The Postmaster General shall cause an advertisement of each air-mail route to be conspicuously posted at each post office that is a terminus of the route named in such advertisement, for at least 15 days, and a notice thereof shall be published at least once in some daily newspaper of general circulation published in the cities that are the termini for the route, before the time of the opening of bids.

Sec. 5. Any person having a claim against the United States arising out of the annulment of an air-mail contract heretofore held by it, may prosecute such claim in the Court of Claims of the United States, if suit therefor is brought within 1 year after such annulment. No person shall be ineligible to bid and contract for carrying air mail under this act by reason of the provisions of section 3950 of the Revised Statutes (act of June 8, 1872; U.S.C., title 39, sec. 432), nor by reason of any restriction imposed in prior legislation in respect to air-mail contracts.

Sec. 6. All persons holding air-mail contracts shall keep their books, records, and accounts under such regulations as may be prescribed by the Postmaster General, and he is hereby authorized to examine and audit the books, records, and accounts of such contractors and to require a full financial report under such regulations as he may prescribe.

Sec. 7. Before the establishment of any air-mail route the Postmaster General shall notify the Secretary of Commerce, who thereupon shall certify to the Postmaster General the character of equipment to be employed and maintained on such route. The Secretary of Commerce in certifying his specifications to the Postmaster General shall only determine the speed, load capacity, and safety features and safety devices of airplanes to be used on

the route, which said specifications shall be included in the advertisement for bids.

SEC. 8. The Secretary of Commerce is authorized and directed to prescribe the maximum flying hours of pilots on air-mail lines and safe operation methods on such lines. The Secretary of Commerce is authorized to prescribe all necessary regulations to carry out the provisions of this section and section 7 of this act.

SEC. 9. It shall be a condition upon the awarding and holding of any air-mail contract that the rate of compensation for all pilots, mechanics, and laborers employed by the holder of such contract shall be not less than the rate of compensation paid by air-mail-line operators during 1933, as modified by decisions of the National Labor Board. This section shall not be construed as restricting the right of collective bargaining on the part of any such employees.

SEC. 10. The Federal Radio Commission shall give equal facilities in the allocation of radio frequencies in the aeronautical band to airplanes carrying mail and/or passengers over regular scheduled routes.

SEC. 11. No contract awarded under this act or any interest in any such contract shall be sold, assigned, or transferred by the person to whom such contract is awarded, to any other person, except with the approval of the Postmaster General.

SEC. 12. The Postmaster General may cause any contract awarded under this act to be canceled for disregard of or failure by the contractor to comply with the terms of its contract or with the provisions of this act or for any conspiracy or acts designed to defraud the United States with respect to any such contract. This provision is cumulative to other remedies now provided by law.

SEC. 13. Whoever shall enter into any combination, understanding, agreement, or arrangement to prevent the making of any bid for any contract under this act, to induce any other person not to bid for any such contract, or to deprive the United States Government in any way of the benefit of full and free competition in the awarding of any such contract, shall, upon conviction thereof be fined not more than \$10,000 or imprisoned for not more than 5 years, or both.

SEC. 14. If any person shall willfully or knowingly violate any provision of this act, his contract, if one shall have been awarded to him, shall be forfeited, and such person shall upon conviction be fined not more than \$10,000 or imprisoned for not more than 5 years, or both.

SEC. 15. The Postmaster General may make such rules, regulations, and orders as may be necessary to carry out the provisions of this act.

SEC. 16. All acts or parts of acts inconsistent or in conflict with any provisions of this act are hereby repealed to the extent of such inconsistency or conflict.

SEC. 17. The President is hereby authorized to appoint a commission composed of 5 members to be appointed by him, not more than 3 members to be appointed from any one political party, for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto. Members appointed who are not already in the service of the United States shall receive compensation of not exceeding the rate of compensation of a Senator or Representative.

SEC. 18. Such commission shall organize by electing one of its members as chairman, and it shall appoint a secretary whose salary shall not exceed \$5,000 per annum. Said commission shall have the power to pay actual expenses of members of the commission in the performance of their duties, to employ counsel, experts, and clerks, to subpoena witnesses, to require the production by witnesses of papers and documents pertaining to such matters as are within the jurisdiction of the commission, to administer oaths, and to take testimony, and for such purpose there is hereby authorized to be appropriated the sum of \$75,000.

Amend the title so as to read: "An act to authorize the Postmaster General to award 1-year contracts for carrying air mail, to establish a commission to report a national aviation policy, and for other purposes."

Mr. McKELLAR. I move that the Senate disagree to the amendments of the House of Representatives, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. McNARY. Mr. President, I desire to ask the nature of the House amendments. We certainly are entitled to some explanation of what is proposed in the way of legislation.

Mr. McKELLAR. The text of the Senate bill was stricken out by the House and the text of the House bill substituted therefor. Quite a number of changes are involved, so, under the circumstances, there is nothing for us to do but to ask for a conference.

Mr. McNARY. What are the changes?

The PRESIDING OFFICER. The Chair may state to the Senator from Oregon that, as the Chair understands, the motion is that the Senate disagree to the amendments of the House and that conferees be appointed.

Mr. McNARY. That is true; and upon that question I desire to be recognized in order that I may propound to the Senator from Tennessee some inquiries.

Mr. McKELLAR. I shall be glad to explain to the Senator what the changes are.

If my motion shall be agreed to, it will virtually put the entire bill in conference. One of the principal sections of the Senate bill is section 7, in which those ineligible for contracts are set forth, and prohibitions are made against affiliates, holding companies, subsidiaries, and manufacturing companies. That provision is not contained in the House bill. Also, the House bill omits the provision with reference to the Interstate Commerce Commission. The matter of ratemaking is not referred to the Commission.

Those are the two most important amendments. There is a difference in the rate to be charged as fixed by the House and as fixed by the Senate; and there are a number of other minor changes.

I think perhaps I have stated sufficient to show the Senator that it is necessary to have a conference.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee that the Senate disagree to the amendments of the House, ask for a conference, and that conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. BLACK, Mr. HAYDEN, Mr. SCHALL, and Mr. FRAZIER conferees on the part of the Senate.

REGULATION OF SECURITIES EXCHANGES

The Senate resumed the consideration of the bill (S. 3420) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes.

Mr. COPELAND. Mr. President, I send forward an amendment and ask that it may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In section 8, page 19, line 1, it is proposed to strike out the word "To" and insert "In contravention of such rules and regulations as the commission shall prescribe for the protection of investors, to."

Mr. FLETCHER. Mr. President, I see no objection to that amendment.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New York.

The amendment was agreed to.

Mr. HASTINGS. Mr. President, I send to the desk an amendment and ask that it may be read.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. On page 33, after line 8, it is proposed to strike out all down to and including the word "issuer", on page 35, line 5, being section 13, and in lieu thereof to insert the following:

SEC. 13. (a) Every issuer of a security registered on a national securities exchange shall file the information, documents, and reports below specified with the exchange (and shall file with the commission such duplicate originals thereof as the commission may require), in accordance with such rules and regulations as the commission may prescribe as necessary or appropriate for the proper protection of investors and to insure fair dealing in the security—

(1) Such information and documents as the commission may require to keep reasonably current the information and documents filed pursuant to section 11.

(2) Such annual reports, certified if required by the rules and regulations of the commission by independent public accountants, and such quarterly reports as the commission may prescribe.

(b) The commission may prescribe, in regard to reports made pursuant to this act, in accordance with accepted principles of accounting, the form or forms in which the required information shall be set forth, and the items or details to be shown in the balance sheets and profit-and-loss statements; but in the case of the reports of any person whose accounting is subject to the provisions of any law of the United States or any State, or any rule or regulation thereunder, the rules and regulations of the commission with respect to reports shall not be inconsistent with the requirements imposed by such law or rule or regulation, except that this provision shall not be construed to prevent the com-

mission from imposing such additional requirements with respect to such reports, within the scope of this section and section 11, as it may deem necessary for the protection of investors; provided that no additional requirements shall be imposed upon the carriers subject to the provisions of section 20A of the Interstate Commerce Act as amended.

(c) If in the judgment of the commission any report required under subsection (a) is inapplicable to any specified class or classes of issuers, the commission shall require in lieu thereof the submission of such reports of comparable character as it may deem applicable to such class or classes of issuers.

Mr. HASTINGS. Mr. President, this amendment is to section 13, and, as I think, is the exact language of the House bill; at any rate, the changes made are to be found on page 33 of the bill in the last three lines.

This question was discussed by the Senator from Oregon [Mr. STEWART] the other day in particular. The amendment affects the last paragraph on that page, which now reads:

(2) Such annual reports as the commission may prescribe, certified if required by the rules and regulations of the commission by independent public accountants; such quarterly reports as the commission may prescribe; and such other reports as the commission may deem essential in special circumstances.

The amendment proposes to strike from that provision the words "and such other reports as the commission may deem essential in special circumstances."

The next section is changed to read as follows:

(b) The commission may prescribe, in regard to reports made pursuant to this act—

Then these words are inserted:

In accordance with accepted principles of accounting.

So the sentence reads:

The commission may prescribe, in regard to reports made pursuant to this act, in accordance with accepted principles of accounting, the form or forms in which the required information shall be set forth, the items or details to be shown in the balance sheet and the earning statement.

Under the amendment the following language is proposed to be stricken out:

And the methods to be followed in the preparation of reports, in the appraisal or valuation of assets and liabilities, in the determination of depreciation and depletion, in the differentiation of recurring and nonrecurring income, in the differentiation of investment and operating income, and in the preparation, where the commission deems it necessary or desirable, of separate and/or consolidated balance sheets or income accounts of any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer.

By the amendment that language is proposed to be stricken out as being too much of a burden to be placed upon corporations which may desire to list their securities upon a stock exchange or in any other way as effected by the bill.

I do not propose to take the time of the Senate in further discussion of the matter. I covered it yesterday in my address to the Senate, and my only object in addressing the Senate but a moment is for the purpose of expedition.

Mr. President, I may say before the Senate passes upon the amendment that I have several other amendments upon which I expect to ask the Senate to pass. I have conferred with the chairman of the committee with respect to some of them. I have been advised by him and by other members of the committee that they have examined all the amendments and, with possibly one exception, the committee is not prepared to accept any of them. I think we have gone far enough with the bill and with the record votes on amendments to demonstrate to the Senate as well as to the country that it is impossible to have a majority of the Senate agree to any amendment contrary to the wishes of the chairman of the committee and those working with him. In view of that fact, I am not going to insist upon a record vote on the particular amendment now pending, and perhaps on none of the others, with one exception.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk another amendment, which I offer.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 3, line 24, after the word "firm", to insert "but does not include a bank."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

Mr. FLETCHER. Mr. President, the amendment would enable the bank to become a member of an exchange without subjecting itself to the provisions of the bill. Banks would be put in a special class of membership under the amendment. There are banks in the country now which are members of exchanges, and others would be formed for that purpose, and yet they would not be under any restriction or restraint at all under the provisions of the bill, because they would be excepted under the definition of members.

I think the idea is thoroughly wrong.

Mr. HASTINGS. Mr. President, I am frank to say that I do not know much about this proposal. I have introduced it by request. I should like to make the explanation which was made to me with respect to it.

There are many banks which are members of stock exchanges, and as such are entitled to participate in the commissions charged on security transactions originated by them. This type of memberships exists in several different western stock exchanges. Unless the section is amended these banks will be deprived of a profitable source of revenue. The bill already recognizes that banks should be exempted from the definition of "broker" and "dealer", because the provisions of the bill applicable to brokers and dealers would impose an impossible burden on banks. The same would be true of those banks which would be considered members of stock exchanges under the sweeping definition contained in the subparagraph.

That is the only explanation I have with respect to it, and I am satisfied to have the Senate act upon the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware. [Putting the question.] The "ayes" seem to have it.

Mr. BARKLEY. I ask for a division.

On a division, the amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk another amendment which I offer.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 9, line 23, after the word "regulations", to strike out all down to and including the word "act", on page 10, line 4, and to insert in lieu thereof the following:

And to enter such orders as may be necessary for the execution of the functions vested in it by this act. Whenever the commission deems it necessary in the public interest or for the protection of investors, the commission shall have power to determine that the violation of any rule or regulation made by it, the violation of which is made unlawful by the terms of this act, shall be subject to the penalties provided in section 30 of this act: *Provided, however,* That such rule or regulation shall be published in such manner as the commission shall deem appropriate to give notice to the persons affected thereby at least 20 days before the effective date thereof. Any rule or regulation, a violation of which is subject to the penalties provided in section 30 of this act, shall be deemed to be an order of the commission and any person aggrieved thereby may obtain a review thereof as provided in section 24 of this act.

Mr. HASTINGS. Mr. President, the commission should have power not only to adopt rules and regulations, but also to enter orders making its rules and regulations effective.

The purpose of this amendment is to make it possible for the commission to adopt rules and regulations which would not always be subject to the heavy penalties imposed by the bill.

In view of the broad powers given to the commission to adopt rules and regulations affecting different types of transactions, a certain degree of flexibility ought to exist with regard to the penalties which attach to the violation of such rules and regulations.

Under section 30 of the bill, criminal penalties are imposed for violation of rules and regulations. It is conceivable that the commission might wish to adopt many rules and regulations of a minor character, the violation of which should not be made a criminal offense. The amendment would not in any way diminish the power of the commission, but would allow the commission to specify which of its rules and regulations required a criminal penalty to aid in their enforcement.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, line 9, after the word "exchange", it is proposed to strike out all down to and including the word "needs" in line 15, and to insert:

In contravention of such rules and regulations as the Federal Reserve Board may prescribe: *Provided, however,* That this subsection shall not apply to loans made by or through a member bank of the Federal Reserve System.

Mr. HASTINGS. Mr. President, I desire to make an explanation of this amendment.

The purpose of the amendment is to make this subsection of the bill conform to the principle adopted by the committee of not prohibiting practices which are to be regulated by the Federal Reserve Board except when they are in contravention of rules and regulations adopted by the Board.

The practical advantages of this change are substantial. Unless it shall be made, all nonmember banks will be deprived of the right to make loans to members of exchanges, brokers, and dealers until the Federal Reserve Board shall have promulgated rules and regulations. The time available for the formulation of such rules and regulations before the act is to become effective is not very great; and it would, therefore, seem wiser to permit the customary practices to continue until the Reserve Board shall have adopted rules and regulations to govern them.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 18, it is proposed to strike out lines 16 to 25, inclusive, in the following words:

(b) To permit in the ordinary course of business as a broker his aggregate indebtedness to all other persons, including customers' credit balances (but excluding indebtedness secured by exempted securities), to exceed such percentage of the net capital (exclusive of fixed assets and value of exchange membership) employed in the business, but not exceeding in any case 2,000 percent, as the commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors.

Mr. HASTINGS. Mr. President, this subsection is apparently intended to insure the solvency of brokers by requiring them to maintain a minimum ratio between their capital and their aggregate indebtedness. In theory, such a formula may seem useful; but in practice it would not accomplish its purpose. The ratio between net capital and total indebtedness does not indicate the solvency of a brokerage house, because a large part, and sometimes the most important part, of a broker's assets or liabilities are open contracts which cannot be truly reflected on a balance sheet. The proper formula for the regulation of the minimum capital which should be maintained by brokers would be too long to be included in a statute. It belongs properly in the rules and regulations which the commission can require exchanges to adopt under section 19 of the bill.

Another persuasive reason for eliminating this provision is that it would require every person lending money to a broker to investigate the broker's books so as to make sure

that the broker's capital met the minimum statutory requirements. Otherwise, a loan made to a broker whose capital was insufficient might be considered invalid.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 19, line 2, before the word "customer", it is proposed to insert "without his written consent", and on page 19, line 4, to strike out "without his written consent."

Mr. HASTINGS. Mr. President, this subsection is intended to protect the customers by making it illegal for brokers to commingle customers' securities in connection with a hypothecation or pledge by a broker. It also is intended to prevent a broker pledging customers' securities for more than the amount due to him by his customers.

In the subdivision marked "(1)" it is recognized that these prohibitions should not apply if a customer consents in writing. By moving the phrase "without his written consent" from line 4 to line 2, the waiver of the prohibitions by a customer is made effective to all three of the subdivisions instead of being confined to the first subdivision, as at present. No reason is apparent why this consent provision should not apply to the second and third subdivisions as well as to the first.

Unless some such change is made the practical results may be absurd. For instance, a broker could not use his own securities as additional collateral in a loan in which any of his customers' securities were pledged. Banks frequently call for additional collateral which must be supplied within a few hours. It is, naturally, impossible for a broker to call upon his customers to furnish him with extra margin within any such brief period of time. Unless the broker can use his own securities to meet such a demand, the bank might sell out the loan, to the great injury of the broker's customers.

Unless this section is amended so as to eliminate its impractical features the liquidation of a substantial amount of brokers' loans may become imperative upon the effective date of the act.

The apparent purpose of these provisions is to prevent a broker financing his own speculations through the use of his customers' securities. The prohibition against the hypothecation of customers' securities will not, however, accomplish this purpose, because a broker's speculations might be financed through the use of customers' credit balances or other assets. The proper method of accomplishing this legitimate purpose is by having the commission require each national securities exchange to adopt rules and regulations governing the conduct of customers' accounts. The commission has power to require the adoption of such rules and regulations under section 19 of the bill.

May I urge the chairman of the committee to let this amendment be adopted, so that at least it may go to conference, because it does seem to me that it might be of the greatest importance?

Mr. FLETCHER. Mr. President, I am unable to agree with the Senator. I think this is a dangerous amendment. I am opposed to it.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 26, it is proposed to strike out lines 5 to 8, as follows:

It shall also be unlawful for a specialist acting as a broker to effect on the exchange any transaction except upon a market or limited-price order.

Mr. HASTINGS. Mr. President, the Commission is given broad power to determine rules or regulations under which specialists may act as brokers. It seems unnecessary, therefore, to have a statutory prohibition preventing them from accepting orders unless they are market orders or limited orders.

The effect of the present provision would be to make the execution of discretionary orders and stop-loss orders by a specialist illegal. It is far from certain whether the elimination of stop-loss orders may not be harmful rather than helpful to the investing public. Certain types of discretionary orders should probably be forbidden, but even market orders require the exercise of a certain degree of discretion if the public is to be protected. In view of the complexity of the problem, a statutory prohibition is certainly inadvisable, and this whole subject matter ought to be left to rules and regulations to be adopted by the commission.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Delaware. The amendment was rejected.

Mr. HASTINGS. I send to the desk another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 31, line 3, it is proposed to strike out all down to and including the word "holders" on page 32, line 2, and to insert:

(d) If the exchange shall certify to the commission that the security has been approved for listing, the registration shall become effective upon the filing with the commission of such certification. The commission may, however, suspend dealing in such security or, after appropriate notice and opportunity for hearing, enter an order revoking the registration thereof if it shall determine that such security is not suitable for registration, or that the issuer has failed to comply with the registration requirements of this act. Securities representing an interest in registered securities or growing out of registered securities may be listed by an exchange or admitted to dealing in advance of registration upon request in writing from the issuer accompanied by assurance that a listing application in form required by the exchange will be made within a reasonable time.

Mr. HASTINGS. Mr. President, the effect of this amendment will be to eliminate the 30-day waiting period which is now provided by the provision on page 31, line 6. This delay will be a serious burden on the marketing of securities and will retard the flow of capital into industry. There seems no necessity for such a waiting period when the commission has full power to suspend or strike any security from dealing on an exchange. The suggested provision would allow the registration of unissued securities when they represent an interest in securities that have already been registered or grow out of registered securities. The present provision in regard to unissued securities is altogether too narrow and would prevent the holders of registered securities from having a market on stock exchanges for new securities which grow out of their existing holdings.

The PRESIDING OFFICER (Mr. DUFFY in the chair). The question is on agreeing to the amendment proposed by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk an important amendment, which I propose.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 32, line 3, it is proposed to strike out all down to and including the word "section" in line 10, and to insert:

(e) Notwithstanding the foregoing provisions of this section, all securities listed on a national securities exchange at the time the registration of such exchange as a national securities exchange becomes effective shall be considered securities "registered on a national securities exchange" within the meaning of all the sections of this act, and all securities admitted to dealing on such national securities exchange prior to April 1, 1934, shall be considered securities "registered on a national securities exchange" within the meaning of all the sections of this act, other than sections 12 and 13. The commission may, however, require any national securities exchange to suspend dealing in any such security or securities or may, after appropriate notice and opportunity for hearing, enter an order requiring any national securities exchange to remove the same from the list of securities listed or

admitted to dealing thereon whenever it shall determine that such action is necessary or appropriate for the protection of investors.

Mr. HASTINGS. Mr. President, I think this is the section which the chairman of the committee modified by an amendment earlier in the day, but his amendment did not cover as much as does the amendment I have just proposed.

This change would allow securities which were dealt in on stock exchanges on April 1, 1934, to remain on exchanges until the commission should require dealings in them to be suspended or the securities to be stricken from registration. Unless some such provision is made, many billion dollars' worth of securities will automatically cease to be listed on exchanges not later than July 1, 1935.

There are many issues of securities where the issuer has technically dissolved or ceased to exist. Such securities could not comply with the registration statement of the act, and would, therefore, be forced off stock exchanges to the great disadvantage of the persons holding such securities. Foreign securities would likewise be forced off stock exchanges, as it seems almost certain that few, if any, foreign governments or corporations will comply with the registration requirements of the act. There are several billion dollars' worth of securities of this kind which are customarily dealt in on American exchanges.

The number of security issues dealt in on American exchanges approximates 8,000 to 10,000. It would be physically impossible for the commission to receive and examine registration statements covering such a large number of security issues in less than the 14 months remaining before July 1, 1935, which is the date fixed by the act for the elimination from stock exchanges of all securities which have not filed a registration statement. In his testimony before the House committee, Commissioner Landis stated, that the securities division of the Federal Trade Commission had examined less than 1,000 registration statements in the 9 months which have elapsed since the Securities Act of 1933 became effective. He likewise testified that the securities division, although it had a large staff, was tremendously overworked. It seems certain, therefore, that the commission could not in approximately a year's time examine 8,000 to 10,000 registration statements.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 33, after line 7, it is proposed to add a new subsection, as follows:

(g) Any national securities exchange may, and upon order of the commission shall, suspend dealing in or, upon appropriate notice and opportunity for hearing, remove from the list of securities dealt in thereon any registered security or any security admitted to dealing thereon.

Mr. HASTINGS. Mr. President, the purpose of this amendment, in adding this new section, is to make clear that stock exchanges have the right to suspend dealings in securities or strike them from the list without awaiting action by the commission. The delay which might be involved if the commission had to approve every suspension or striking from the list before it became effective might cause great damage to investors and would deprive stock exchanges of a necessary emergency power.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk another amendment to the pending bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 43, line 3, after the word "requested", it is proposed to strike out all down to and including the word "matters", on page 44, line 3, and to

insert the words "by order to alter or supplement the rules of such exchange insofar as it may be necessary or appropriate for the protection of investors or to insure fair dealings in securities traded in upon such exchange."

Mr. HASTINGS. Mr. President, the purposes of the bill have consistently been stated to be the prevention of the use of excessive credit for speculation and the prevention of unfair practices on stock exchanges. Throughout the bill powers have been given to the commission to take such action as is necessary or appropriate for the protection of investors or to insure fair dealings. There can be no objection to giving the commission power to require exchanges to alter and amend their rules so as to carry out these purposes. The bill as drawn, however, goes much further, and in this section proposes to allow the commission to regulate the internal operations of exchanges in many matters which do not bear, either directly or even remotely, upon the control of credit or unfair practices in the purchase and sale of securities. For instance, "hours of trading"—page 43, line 16—"the time and method of making settlements, payments, and deliveries, and of closing accounts"—page 43, lines 18-19—"the fixing of reasonable rates of commission, interest, and other charges"—page 43, line 25—"the minimum units of trading"—page 44, line 1—"and similar matters"—page 44, line 3—involve details of operation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware.

Mr. COPELAND. Mr. President, a few moments ago I tried to have a change made on lines 9 and 10 of page 43. I think that is where the Senator's amendment applies.

Mr. HASTINGS. That is correct.

Mr. COPELAND. It would seem to me also that in line 19, where reference is made to closing accounts, we have gone too far. It certainly should be the prerogative of every person conducting a brokerage business to close out accounts of customers when he feels that such accounts will endanger his own credit. It is unjust to place this right elsewhere than in the person conducting the business, as his own credit may be put in jeopardy if he is restricted as to closing out credits extended by him to others. Just as the banks are necessarily left free to close out credits extended to the brokers, so the brokers should be left free to close out credits extended by them to their customers. The two relations are mutually dependent upon each other.

Then when it comes, as the Senator has already said, to the fixing of reasonable rates of commission, interest, and other charges, I think we should bear in mind that the brokerage business is not a public utility. It is not desired to increase the facilities for public speculation through the reduction of rates. It is rather the purpose of the bill to reduce speculation. The commission should not, however, be empowered, through the right to impose heavier brokerage charges and commissions, to restrict speculation to a greater extent than contemplated by the bill.

I find myself, therefore, in sympathy with what the Senator from Delaware is proposing.

Mr. HASTINGS. Mr. President, I may say to the distinguished Senator from New York that the explanation of the objection made to our proposal shows very clearly that there is a determination here to turn over the stock exchange and its whole operation to a commission of the Federal Government. That being the purpose, the objections which the Senator from New York has made and which I have made, of course, cannot be very seriously considered by the proponents of this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware. The amendment was rejected.

Mr. HASTINGS. I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 46, line 1, after the word "under", it is proposed to strike out "or in securing in-

formation to serve as a basis for recommending further legislation concerning the matters to which this act relates."

Mr. HASTINGS. Mr. President, of course this is entirely a new kind of legislation before the Congress. It undertakes to give to a commission the right to do that which the Committee on Banking and Currency has been doing for a year and a half. It is a transfer of the power from the Congress to what will be a newly created commission. It is a new idea and a new theory of government. However, I have talked myself hoarse on this subject, and I do not care to make a speech about it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware. The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 49, line 3, after the word "commission", it is proposed to strike out "in a proceeding under this act to which such person is a party."

Mr. HASTINGS. A similar amendment was adopted by the House of Representatives. The purpose of the change was to allow persons who were aggrieved, but who may not have technically been parties in the proceeding in which the order was entered, the right of a court review.

I am wondering whether the chairman of the committee has carefully considered the amendment and whether there is any objection to it. It is on page 49, lines 3 and 4. I propose to strike out from lines 3 and 4 the words "in a proceeding under this act to which such person is a party." That would make the language read:

Any person aggrieved by an order issued by the commission may obtain a review of such order in the Circuit Court of Appeals of the United States.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. COPELAND. I desire to add to what the Senator has said that a member of the exchange might be seriously aggrieved by an order of the commission directed to the exchange, but such member would have no right of appeal from such order unless the proposed amendment should be agreed to. The exchange itself might not be aggrieved, and, therefore, no one would have any appeal from the order. The purpose of the Senator is to make it possible for the members to have a right of appeal.

Mr. HASTINGS. As I stated, the purpose of the amendment is to allow persons who are aggrieved, but who may not have been technically parties to the proceedings to have a right of review. Certainly it seems to me they ought to have the right to a court review.

Mr. FLETCHER. Mr. President, the committee considered that suggestion, spending a good deal of time on it. On its face the amendment appears to be somewhat fair, but we reached the conclusion that it would give a right of review to many not entitled to it. Parties concerned with an order might be satisfied with it, but someone outside, who had some other interest which he wanted to serve, might undertake to come in and appeal from the order. The amendment is an invitation to people outside, who may have some selfish, personal interest to serve, and who are not at all parties to the suit, to come in and appeal from the order. I think it would be very unwise to adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware. The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk another amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 51, line 5, after the word "seller" it is proposed to insert "for the purpose of inducing the purchase or sale."

Mr. HASTINGS. As at present drawn, any statement as to the effect of the action or failure to act of the commis-

sion, even if made by a person who is in no way connected with the security business, might be unlawful and subject to criminal penalties. The amendment is intended to restrict the criminal penalties to persons making the unlawful representations for the purpose of inducing securities transactions.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware. The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk an amendment on page 56 which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 56, beginning with line 3, it is proposed to strike out all down to and including the word "imposed", in line 21, and in lieu thereof to insert the following:

Sec. 30. Any person who willfully violates any provision of this act, or any person who willfully violates any rule or regulation made thereunder, the violation of which pursuant to section 4(b) of this act shall be subject to the penalties provided in this section, or any person who willfully violates any order entered pursuant to this act in a proceeding to which he was a party, or any person who willfully and knowingly, personally or through another, makes any statement in any application, report, or document required to be filed with the commission under this act, or any rule or regulation thereunder, or in any communication, oral or otherwise, subject to the provisions of section 9 (a) (4), which statement was at the time and in the light of the circumstances under which it was made, false or misleading in any material respect, shall upon conviction be fined not more than \$25,000 or imprisoned not more than 5 years, or both, except that if such person is an exchange, a fine not exceeding \$500,000 may be imposed.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

Mr. HASTINGS. I ask unanimous consent to withdraw the amendment, because it would only be applicable in case another amendment heretofore offered by me had been adopted.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. HASTINGS. Mr. President, I have on the desk an amendment to come in on page 54, line 17, in which I write in the words "contract or", so as to read:

Nothing in this act shall be construed (1) to affect the validity of any contract or loan.

There are several other places in which the same words have been written in. I have talked with the Senator from South Carolina [Mr. BYRNES] with respect to that amendment; he agrees that there ought to be some modification of the provision, and he is now having prepared an amendment which will make the necessary changes. I am quite certain that when that shall be done it will be agreeable to me, and I will not offer this particular amendment.

I have another amendment which I have not had printed, and which I have not submitted to the chairman of the committee, but I will submit it to him and see if I can get him to consent to it.

I have one further amendment which I desire to offer at this time to come in on page 10.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, it is proposed to strike out, beginning in line 5, down to and including the word "subsection" on page 11, line 4, and to insert the following:

(c) The commission is authorized to appoint and fix the compensation of such attorneys, examiners, and other experts and employees as may be necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress.

With the exception of the secretary, a clerk to each commissioner, the attorneys, and such special experts and examiners as the commission may from time to time find necessary for the conduct of its work, all employees of the commission shall be part of the classified civil service, and shall enter the service under such rules and regulations as may be prescribed by the commission and by the Civil Service Commission.

All of the expenses of the commission, including all necessary expenses for transportation, incurred by the commissioners or by employees under their orders in making any investigation or upon official business in other places than in the city of Washington

shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the commission. Until otherwise provided by law, the commission may rent suitable offices for its use. The General Accounting Office shall receive and examine all accounts of expenditures of the commission.

Mr. HASTINGS. Mr. President, the proposed amendment is drawn from the Federal Trade Commission Act, and provides that the expenses of the commission shall be appropriated for by Congress, and that the employees of the commission, except those specially exempted, shall be subject to the Civil Service Commission law. This is the usual provision adopted in regard to other administrative commissions.

Mr. BORAH. Mr. President, I observe that the bill permits the commission to fix the compensation of officers and attorneys and examiners. Does the Senator's amendment also permit that to be done?

Mr. HASTINGS. No; not at all.

Mr. BORAH. From the reading of the amendment at the desk, I think it has the same vice as is contained in the bill.

Mr. HASTINGS. The purpose of this amendment is to make it a Federal function and to provide that the persons employed by the commission shall be paid out of the Federal Treasury like other Government employees. I am not quite certain, without a thorough examination, whether or not the amendment covers the particular point the Senator from Idaho has in mind.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware. The Senator from Oklahoma is recognized.

Mr. BORAH. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Delaware [Mr. HASTINGS] had the floor. To whom does the Senator from Delaware yield?

Mr. BORAH. I was asking the Senator from Delaware a question and had not as yet received an answer.

The PRESIDING OFFICER. Does the Senator from Delaware yield further to the Senator from Idaho?

Mr. HASTINGS. I yield.

Mr. BORAH. The question was this: The original bill provides that the commission shall fix the compensation of all officers, attorneys, examiners, and so forth. Does the Senator's amendment leave that as it is in the bill?

Mr. HASTINGS. Mr. President, in reply I will say that section 4 (a) is left as it is, and section 4 (b) is left as it is, section 4 (a) being the one that provides for the selection of the commission and fixes the salaries of the commissioners. It is not until we get to section (c) that there is any particular change made and that change is drafted largely from the Federal Commission Act.

Mr. BORAH. Mr. President, I was seeking to find out whether we are going to leave in the bill the power in the commission to fix compensation, which I think, is a very unsatisfactory way to fix compensation. It is an unwise provision.

Mr. HASTINGS. Mr. President, the effort which I am making by this amendment is to provide that the employees of the commission, in carrying out this new function, shall be selected in a certain way, just as the Federal Trade Commission select their employees. The item of salaries would be a national expense just as in the case of other commissions. As the bill stands today, it is a little uncertain just what happens, but I think a reasonable interpretation of the language is that the commissioners levy an assessment upon the stock exchanges for the purpose of collecting sufficient money to pay their own salaries. Someone has asked me that question, and it is the only interpretation that I can put upon the language of the bill.

Mr. LOGAN. Mr. President, 2 or 3 days ago I gave notice of amendments which I intended to propose to the bill under consideration. Perhaps the Senator from Delaware [Mr. HASTINGS] has covered most of my intended amendments among those which he has offered and which have been rejected. It is perfectly evident to everyone who has observed the proceedings that no amendment can be adopted

unless it has the approval of the committee or the members of the committee now in charge of the bill on the floor. I make no complaint about that.

The amendments which I meant to propose were not unfriendly amendments. I am in most hearty sympathy with the purposes of the bill. In going over the bill, which I have done rather carefully, it seemed to me that it was vague in some respects, and in others perhaps it contained some provision which unintentionally would work a hardship on this or that group of people. One of the amendments which I meant to propose was for the purpose solely of improving the provisions of the bill so that it would be more workable and would prevent injury to some of those who thought they might be injured.

I see no occasion to call up the amendments. It is understood, I believe, that the bill will have to go to conference. When it goes to conference the suggestions which I intend to make about the amendments can better and more properly be made to the conferees. I would prefer that when the conference committee comes to consider it, my amendments be considered as amendments which were not rejected by the Senate when the bill was under consideration. For that reason I am not going to propose the amendments, but I shall make some suggestions to the members of the conference committee in the hope that I may be able to convince them, thinking perhaps I can convince them more easily than I can convince my colleague the Senator from Florida [Mr. FLETCHER], of the propriety of adopting some of the suggestions.

There are two suggestions I desired to propose in the form of an amendment which I did not offer an amendment to cover. One of them relates to a provision on page 40, which was in a way covered by one of the amendments offered by the Senator from Delaware. There is a provision, beginning on page 40 and ending on page 41, relating to information to be contained in reports, which reads as follows:

As used in this subsection, the term "statement" shall be construed to include any omission to state a material fact which is required to be stated in any such application, report, or document, or which is necessary to make the statement not misleading.

There is a 5-year statute of limitations which applies to bringing suits because of misleading statements. A matter may have been omitted when the statement was prepared upon the idea that it was not material, and indeed it may not have been material at that time. But as time passes someone reaches the conclusion he has lost money in gambling on the stock market, because generally that is what it is, and he will go back to find out whether there was anything omitted in the statement.

It is very much like the situation when a witness is placed on the witness stand and is sworn to tell the truth, the whole truth, and nothing but the truth; but we have never yet heard of a witness being prosecuted because he did not testify to something on the witness stand. We are extending that rule by the requirement in this bill that when anyone who comes under the provisions of the bill is required to make a statement he may be punished, not only for what he says but he may be punished for what he omits to say.

I am making reference to that point at this time solely for the consideration of the conference committee, as it is entirely impractical to explain in detail to the Senate just what effect these particular amendments would have. That is the reason why we cannot get amendments adopted, however deserving they may be and however desirable it may be that they should be adopted, because we cannot explain to the Senate as easily as we can explain to a committee.

Mr. BORAH. Mr. President—

Mr. LOGAN. I yield to the Senator from Idaho.

Mr. BORAH. How will the conference committee be able to consider this matter if it is not before them as an amendment?

Mr. LOGAN. In the House bill there is nothing on the subject. If the Senate has included this provision, as I understand, the conferees can consider it. I do not know much about those things, but I am told that is so.

Another suggestion I would make relates to a provision in the bill which, I think, ought to be eliminated by the con-

ference committee in its report. I understand the House, perhaps, has no such provision in its bill. I will read just a line. It is the provision dealing with transactions on the stock exchange. A man purchases stock. The seller must make a statement to him, in writing, I believe, of his interest, or whether he has any interest in the sale. Whatever it may be, it is a statement which the seller makes. This is the language, to be found on page 27:

If disclosure is not made as prescribed by the commission, the customer may, within 10 days after the completion of the transaction, disaffirm such transaction.

It occurs to me that if a sale were made by a broker in New York to a man who resides in New York 10 days is a long time for him to consider whether he will go back and disaffirm his trade because of some technical failure to comply with the law. The stock may be selling at 200 when he buys it and 10 days thereafter it may be selling at 50, and he would have every inducement to return to the seller with the complaint that something was omitted in the statement at the time of the sale. Ten days, it seems to me, is entirely too long to give a man to think over whether he is going to ask for a rescission of the transaction.

We might say a man residing in California buys stock of a broker doing business in New York. He certainly would need a longer time than the man residing in the city of New York. The time ought to be as short as it is possible for it to be consistent with the purposes of the measure. It seems to me that the 10-day provision should be eliminated by all means, and that the commission, as it has the power to make rules and regulations, should prescribe certain rules and conditions upon which the buyer may return to the seller and ask for a rescission of a contract on the ground that the seller did not comply with the law at the time he made the sale.

I do not have any desire to take any more of the time of the Senate. I merely wanted to put in the RECORD the reason why I am not asking for a vote on each separate amendment, which I had given notice I would propose. In fact, I think my amendments have already been voted on in voting on some of the amendments offered by the Senator from Delaware [Mr. HASTINGS]. I think he covered the subject pretty thoroughly.

Mr. COPELAND. If I understand the motion of the Senator from Delaware, it relates to page 10, subsection (d), regarding the expenses of the commission. Is that correct?

Mr. HASTINGS. That is correct.

Mr. COPELAND. In all frankness, Mr. President, it seems to me that this language written in the bill gives the most remarkable latitude that has ever been given to a public body. It is like putting a fox in a chicken house. The commission can go on a joy ride every day. It can spend all the money it wishes to spend. It can have any sort of equipment it desires, as many employees as it may regard necessary for the conduct of the business and for its pleasure, and can assess against the exchange and its members any amount of money it wishes.

I think the provision of the bill is perfectly absurd. I have prepared an amendment to it. I do not know whether the amendment should be offered as a substitute for that offered by the Senator from Delaware or otherwise. At any rate, I send it to the desk, and after it is read we may decide how it should be handled, whether as a substitute for the amendment now before us, or whether it should be put over until the other amendment has been given consideration.

I ask to have the amendment read.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The LEGISLATIVE CLERK. In the nature of a substitute for the amendment of Mr. HASTINGS, it is proposed, on page 10, beginning with line 11, to strike out through line 4, on page 11, and to insert in lieu thereof the following:

(d) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, (1) such sums as may be necessary to enable the commission to complete its organization and to carry on its work during the first year after its establishment, and (2) such sums annually thereafter as may be necessary to enable the commission to carry on its functions under this title.

(e) Every national securities exchange shall pay to the commission on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be in an amount equal to one five-hundredth of 1 percent of the aggregate dollar amount of the sales of securities transacted on such national securities exchange during the preceding calendar year. The commission shall pay into the Treasury the amount of all fees paid to it under this subsection on or before April 1 of each calendar year, and the same shall be covered into the Treasury as miscellaneous receipts.

Mr. COPELAND. Mr. President, it seems to me that this amendment provides an orderly manner of dealing with the expenses of the commission. It will then provide that a budget must be set up, that the Congress may know what are to be the expenses of the commission, may have some voice in what shall be done in the operation of the commission, and how far it shall go in the expenditure of money. Then there will be set up at the same time a provision that there shall be an assessment.

I am not tied to the amount of the assessment. I have suggested one five-hundredth of 1 percent of the aggregate dollar amount of sales, because that happens to be the amount specified in the House bill. But certainly that is a sufficient sum to make it certain that the Government will be reimbursed for the expenditures necessary for the operation of the commission, and it makes an orderly, decent, businesslike arrangement of the operation and administration of the commission.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. Under the bill as drawn by the Senate committee, the amount of the assessment is to be left entirely to the commission. Does not the Senator think that for the Congress to fix any assessment will lead to the possibility of raising entirely too large an amount? All that either the House or the Senate, or both combined, would want is sufficient money to pay the expenses of the commission. If we undertake to say what the assessment shall be, we may assess an amount entirely too high; and that raises the question, What is to become of the surplus if more is raised in this fund than is needed?

It seems to me that any commission would fix only such an assessment as would raise the amount of money required to pay the expenses of operation, and that they would be in a position from time to time to know what those expenses are much better than we now are able to know.

I have no idea how much will be required for this purpose, and I do not think anybody else has. I have no idea, and I doubt if anybody else has, whether the assessment provided in the amendment of the Senate—which, I understand, is the same as that provided in the House bill—is enough or too much. If it is not enough, of course we shall have to amend the law later. If it is too much, somebody will be entitled to a refund of the surplus.

It seems to me much better to leave the matter to the commission, which will be governed by the needs of the service; and we shall be here at any time to put a curb upon any extravagant expense the commission may incur, even though it is not to be paid out of the Public Treasury.

Mr. COPELAND. Mr. President, I may say to the able Senator from Kentucky that after the Budget has been made by the Congress, and after a determination has been made of the expense likely to be properly incurred, I have no objection to the commission being given power to fix the assessment; but under the language of the bill as it comes to us there is no limitation whatever either upon the activities of the commission or upon the way in which the money is to be spent. It may be spent for strawberry festivals and trips to Florida. It may be spent for anything. There is absolutely no restriction upon the commission.

Mr. BARKLEY. If the commission shall be given the power to levy an assessment to meet its own expenses, it certainly will not be as prone to levy a sufficient assessment to enable it to have strawberry festivals, or to take a trip to Florida, as if it should find itself with a surplus on hand that the commission itself had nothing to do with raising. I think, anyway, that the illustration is a little far-fetched.

Mr. COPELAND. Oh, no! Let me say to the Senator that under the amendment I propose the fees are to be paid into the Treasury of the United States, and if we find then that we have levied too large an assessment or too small an assessment, the situation can be corrected in the following year.

Mr. BARKLEY. We have the same provision with respect to the Federal Reserve banks and the Federal Reserve System. The Board levies an assessment sufficient to meet the expenses. Congress did not attempt in advance to fix the expenses. Nobody knows how much will be required.

Mr. COPELAND. Is there no provision about the Budget of the Federal Reserve System?

Mr. GLASS. No, Mr. President. What has the Budget to do with the Federal Reserve System? The Government does not expend \$1 on the Federal Reserve System, and never has.

Mr. COPELAND. Mr. President, if the majority of the Senate care to place in the hands of the commission unlimited power to spend money and unlimited power to make assessments against the exchanges, if that is the wish of Congress, all right; but I say it is unbusinesslike, it is not an orderly fashion of doing business, nor is it a proper course to turn loose upon the exchanges of the country a commission to spend all the money that the commission may care to spend.

Mr. BARKLEY. Mr. President, if the Senator will yield further, I know nothing about how much money this assessment would raise; but I have been told by men who claim to be familiar with the stock exchange and its transactions that the assessment carried in the House bill and in the amendment offered by the Senator from New York will raise funds that will amount to four or five times as much as will be needed to carry on the expenses of the commission.

Mr. COPELAND. Very well. Then the Senator can propose that the assessment be one one-thousandth of 1 percent.

Mr. BARKLEY. I do not know enough about it to offer an amendment. Nobody knows.

Mr. COPELAND. I am willing to have the amount of the assessment left to the commission—

Mr. BARKLEY. That is what the Senate bill does.

Mr. COPELAND. In a sum sufficient to pay the budgetary expenses set down by the Congress.

Mr. GLASS. Mr. President, what has the Federal Budget to do with this matter? The Federal Budget is supposed to budget the receipts and expenditures of the Federal Government. The Government is not involved in any expense whatsoever in this connection. It is just exactly like the Federal Reserve banking system.

All the expenditures of the Federal Reserve banking system are borne by the member banks, subject to the approval of the Federal Reserve Board. The Budget has not anything in the world to do with it.

Mr. BARKLEY. And the Director of the Budget makes no estimate to Congress for any expense connected with the Federal Reserve System.

Mr. GLASS. Not at all.

Mr. BORAH. Mr. President—

Mr. LOGAN. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield to my friend from Kentucky.

Mr. LOGAN. I have no desire at all to enter into a discussion of this question with my distinguished colleague from Kentucky [Mr. BARKLEY] or the very distinguished Senator from Virginia [Mr. GLASS]; but I should like to serve a warning on them, the members of the committee, and the entire Senate, that we had better be very careful in delegating not only the taxing power, but the power to create the necessity for taxes, and, going still beyond that, in allowing a commission to make its own laws which may require the expenditure of the tax money.

It has always been a well-established law that the power to tax cannot be delegated. That power is in the legislative branch of the Government, and it cannot be delegated. There has been one further step, and that is that it is not a delegation of the power to tax if the exact rules and regu-

lations are prescribed that must be followed by some commission or some individual in arriving at a conclusion as to how much the tax shall be. The courts have said that that may be done; but here there is a shifting base, and a commission is provided for with power to prescribe regulations that cost money to carry out, and the commission is given power to say how much money it will collect and spend.

I do not believe that any commission at all will abuse the privilege. I am not afraid of any commission that may be appointed. What I am afraid of is that after we enact this law—a necessary and an important law—some great stock exchange will say, "We are not going to pay a cent toward the support of this commission", and the matter will be taken into court, and the court will say, "Your method of maintaining the commission is illegal", and the whole thing will fall to the ground.

That is what I should like to have considered, if possible, by this body, and also by others who are interested in the bill.

Mr. GLASS. Mr. President, if the Senator from New York will yield further—

The PRESIDING OFFICER. Does the Senator from New York further yield to the Senator from Virginia?

Mr. COPELAND. I do.

Mr. GLASS. We have been doing that very thing for 67 years in the administration of the National Bank Act. Ever since the establishment of national banks in this country the Comptroller of the Currency has been authorized to collect from the banks the expenses incident to their examination. It would be literally impossible to estimate what those expenses would be as to banks. The Comptroller of the Currency at any time might be called upon to put a hundred examiners in some great bank that was engaged in illicit or irregular practices, or was threatened with insolvency, and nobody could foresee anything of that kind. But every bank that is examined is assessed by the Comptroller of the Currency to pay the costs of the examination. So, as I have already indicated, in the Federal Reserve System. The general impression is that the Federal Reserve System is owned by the Government of the United States. The Government has never put up a 10-cent piece toward the expenses of the Federal Reserve System. They do not even pay a janitor's wage, but, from the janitor up to the Governor of the Federal Reserve Board, assessments are made against the member banks, and there has never been a protest.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. Not yet, Mr. President. There is not a man in the Senate who is more highly respected than is the Senator from Virginia. He speaks *ex cathedra*. We are glad to listen to him and usually to accept his views. But to me it is an amazing thing that one so conservative as is the Senator from Virginia should be willing to give unlimited power of raising money for maintenance and expense of operation, and of collection of fees, to a body like the one proposed.

The bill has been passed at the other end of the Capitol proposing to put these powers in the hands of the Federal Trade Commission. Does anybody here believe if we were proposing to give these powers to the Federal Trade Commission, and proposing to give that Commission the authority to levy an assessment sufficient to pay all the expenses to be incurred in the administration of this proposed law, that it would meet with favor? I am sure no Senator would rise to say that we would approve such a thing.

Mr. CLARK. Mr. President, will the Senator yield to me?

Mr. COPELAND. I yield.

Mr. CLARK. Did the Senator vote for the N.R.A.?

The PRESIDING OFFICER. The time of the Senator from New York on the amendment has expired.

Mr. COPELAND. Very well, Mr. President; I will leave the question with the Senate.

Mr. HASTINGS. Mr. President, I desire to ask the Senator from New York a question.

Mr. BARKLEY. Mr. President, I will ask recognition in order that the Senator from Delaware may propound a question to the Senator from New York in my time.

Mr. HASTINGS. I want particularly the attention of the Senator from Virginia, who does not see any difference between the assessment provided under the pending measure and the tax imposed upon the Federal Reserve banks. My attention has been called to the fact that the Federal Reserve is an agency of the Government, exercising a monopoly in regard to the issuance of currency, and the profits derived from this monopoly inure to the Government itself.

I got the distinct impression that under the Federal Reserve Act no bank was compelled to join, that it was a voluntary thing. But there is nothing voluntary about this measure. This is a measure providing control over all stock exchanges. They cannot operate except with the consent of the commission proposed to be set up. There is provided clearly a tax to be imposed upon them by a commission, and it is clearly a delegation of the authority of Congress to that commission. I am surprised to hear anybody say that we have done anything like this before or anything that is even comparable to it.

Mr. BARKLEY. Mr. President, in that connection I will say that it was voluntary as to whether any State bank should join the Federal Reserve System. It was not voluntary so far as national banks were concerned so long as they held their charters as national banks. They might surrender their charters as national banks and become State banks, and in that eventuality they had the right to decide whether they would come into the Federal Reserve System or not, but so long as they remained national banks they were required to join the Federal Reserve System.

I do not care to discuss that phase of the subject. So far as I am concerned, I will say frankly that I have never been enthusiastic about charging the expenses of operating any branches of the Government against those to be regulated. I have always thought, and I still think, that it is a bad principle of government to regulate anybody who ought to be regulated in the public interest and then charge against the regulated the expenses of the regulation. I do not now enthuse over that proposition, either as to the Federal Reserve System, or as to this particular bill, or any branch of the American Government. I think that any law which is enacted setting up machinery for regulation by Congress in the interest of the American people ought to be administered out of the Treasury of the United States, and that we should allow those who are regulated to pay taxes, as everybody else pays taxes, into the Treasury. But we have embarked upon that principle, and today from the Committee on Interstate Commerce there was reported a pension measure, applicable to railroad employees of the United States, under which the expense not only of the pension but of the administration of the act, if the bill should be enacted, and the payment of all the expenses of the board and the commission and the employees would be assessed upon the railroads.

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. STEIWER. In reference to what the Senator from Kentucky is saying, about the lack of wisdom of attempting to regulate any institution in the public interest at the expense of the person to be regulated, is not this particular proposition even more objectionable, because a large part of the regulation will be regulation of the over-the-counter markets of the brokers who operate on those markets, but all of the expenses under this appropriation are to be assessed against the stock exchange? So we would not only have an assessment of a private interest to provide regulation for the public good, but we would have assessments on one private interest to provide regulation of that interest and of other groups with which that interest was not identified.

Mr. BARKLEY. My impression at the moment is, without refreshing my memory by reading the language, that the commission might also assess brokers. If that be true,

they could assess brokers engaged in over-the-counter transactions, as well as exchanges.

However, as the Senator from Virginia has already said, we started out nearly three quarters of a century ago doing this thing; we have done it with respect to other activities, and we seem to be increasing our propensity for doing it. Yet I am not convinced that it is a wise principle of government. After a while, if we shall continue to do it, and the necessity for regulating more groups in the country shall bring about the enactment of more laws, we will have all the people who are regulated paying the expenses of their own regulation, and I am not so sure but that after a while the regulated will control the regulators, and therefore we will have to change our system of regulation.

I have always felt that it was a bad principle of government to do that. I am not yet convinced I am wrong about it, although I recognize there is precedent for it in acts which have already been passed by Congress. But if we are to do it, I think it is infinitely better to give the commission power to do it, than to fix a hard and fast rule in the law itself, which would provide that we must assess against these exchanges a certain amount of money, whether that much is needed or not. We cannot even guess as to how much is needed at this time so as to write it in the bill. It will be a varying amount. It will not cost the same each year, and, as the result of that variability, Congress would be amending the law every year it convened, either raising or lowering the assessments against the exchanges.

Mr. BORAH. Never lowering them.

Mr. BARKLEY. No; they would never be lowered.

Mr. FESS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. FESS. Would there not be another objection, in that if the Government were doing it, there would be more reason for limiting the amount to the exact necessity, while if it were assessed upon someone else, they would not be so careful about it?

Mr. BARKLEY. That is possible, although I think that if the assessment on the exchanges, and those who are to deal with them, is more than is necessary to pay the expenses, they will raise sufficient howl about it so that it will be lowered the next time an assessment is made.

Mr. GLASS. Mr. President, the Senator from Kentucky does not imagine that there will be any assessment for strawberry parties, does he?

Mr. BARKLEY. No; of course not.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK. So far as the purely legal proposition, the delegation of power, is concerned, the delegation of the taxing power of the Congress, is there any difference on earth between the proposal in this bill and the provision contained in the measure which has heretofore been passed by the Congress authorizing the Secretary of Agriculture to levy a processing tax?

Mr. BARKLEY. Not at all. I see no difference in principle at all.

Mr. CLARK. Or in the so-called "N.R.A. measure", authorizing the President to adopt and legalize codes which, in themselves, involve the taxing power?

Mr. BARKLEY. I see no principle involved in this bill that is different from those involved in any of the other laws passed authorizing branches of the Government to fix taxes, or assess a tax in order to raise money to administer the law.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HASTINGS. I just want to observe in answer to the Senator from Missouri that there is this one difference, I think. One is an emergency measure and relief measure, while the other is permanent.

Mr. GLASS. How could the Senator know that it is an emergency measure?

Mr. HASTINGS. I hope it is. That is as far as I can go. It is pretended to be.

Mr. BARKLEY. So far as the power to levy the assessment of a tax is concerned, I do not think there is any difference in principle.

Mr. CLARK. If the Senator from Kentucky will be kind enough to yield to me for a moment more, I will say that, personally, I have never seen any difference, so far as the Constitution and laws of the United States are concerned, between what Congress would be authorized to enact in time of emergency and ordinary times; between times of war and times of peace.

Mr. BORAH. Is the Senator from Virginia going to speak?

Mr. GLASS. No, Mr. President.

Mr. BORAH. I do not wish to take the floor from the Senator.

Mr. GLASS. No; I do not want the floor.

Mr. BORAH. Mr. President, I hope the Senator from Delaware will not leave in the Record a statement which would imply that as a lawyer he thinks that an emergency adds anything to the taxing power under the Constitution.

Mr. HASTINGS. If I left such an impression, I should like to correct it. A great many people seem to think it is important, and I made the suggestion because there was that possible difference.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. CLARK. If the Senator made that remark in response to anything I said, I should like to make myself perfectly clear. I never have known at any time that Congress had the right to declare an emergency to suspend the Constitution.

Mr. HASTINGS. Will the Senator yield for a moment?

Mr. BORAH. I yield.

Mr. HASTINGS. I merely wanted to make this observation, and I only made the suggestion a moment ago because the extraordinary powers referred to have been constantly urged upon the Congress, and I think the Congress has undoubtedly given way to the demand and request because they were emergency measures. I only make the distinction because I say that in the present case the same excuse cannot be made for asking for this extraordinary power.

Mr. BORAH. Mr. President, an emergency may justify the action of Congress in doing something that it has the power to do under the Constitution, which it would not do in normal times, but an emergency can have no effect upon the power which the Congress has to do or not to do a thing under the Constitution. There may be powers which the Congress has not seen fit to exercise in normal times which it may exercise in abnormal times, but whether they are normal times or abnormal times, the authority must be found in the Constitution of the United States, and when the Constitution is reached the emergency has absolutely nothing to do with the question of power. We in this Chamber ought to be able to demonstrate that fact by our words and by our votes. Even the Supreme Court of the United States seems to have given some recognition to that fallacious theory. It is a false, vicious, and dangerous theory.

Mr. President, the commission is authorized, it says on page 10, line 5—

To appoint and fix the compensation of such officers, attorneys, examiners, and other experts and employees.

I ask the Senator from Virginia if he does not think that there ought to be some supervisory power over the commission to fix salaries of attorneys, and so forth, in view of the fact that the commission may turn about and assess that entire expense upon the citizens of the country.

Mr. GLASS. Mr. President, I do not concede that they may assess that entire expense upon the entire citizenry of the country.

Mr. BORAH. I did not say the entire citizenry.

Mr. GLASS. I know the Senator did not, but that is what is involved in some of the remarks that have been made on this problem. I think if there ever was a case where those who are to be supervised ought to pay the expense, it is in this particular case. Everyone does not gamble on the stock

exchange. Everyone does not speculate on the stock exchange; and if there have been abuses on the stock exchange that required governmental statutory supervision the ones responsible ought to endure the expense, and not the taxpayers of the country.

Mr. BORAH. That may be correct; but there are honorable, clean gentlemen who use the stock exchange.

Mr. GLASS. Oh, yes.

Mr. BORAH. And the assessment is not being made against those who are at fault but the assessment is being made against all who use the stock exchange.

Mr. GLASS. Yes; but the proposition has been made, as I have heard the discussion, to assess against the taxpayers and audit here in Washington the expenses of this commission. I do not think that ought to be done. The people who are being regulated ought to be required to pay the expense. If the exchanges had done as they should have done, there would not be any necessity for regulation.

Mr. BORAH. With reference to some, that is true.

Mr. HASTINGS. Mr. President, I am not objecting to the stock exchanges paying the bill; but if the stock exchanges of this country are to pay it, the Congress ought to levy and collect that tax and let it be paid into the Treasury of the United States, and then provide for the necessary machinery to control it afterward. So far as I am concerned, it does not make any difference if the stock exchanges are assessed 50 percent more than is necessary; but what I am complaining about is that this power is given to a commission, and there is offered to that commission the great temptation to be liberal with all the people they employ, to waste money; in other words, to tax people without any representation. That is my objection.

Mr. BORAH. Mr. President, the provision giving boards the power to fix compensation for attorneys and employees, and so forth, is being spread throughout all our legislation. We are giving this power in different bills which have been passed and bills which we shall pass. We give to a board over whom we have practically no control, so far as that item is concerned, the power to fix compensation paid to attorneys, and so forth. It is a reckless grant of power.

Without mentioning specific instances, I think all Senators will recall that there have been several instances in the history of this country in recent years where that has become almost a graft, a scandal; lawyers being paid \$35,000 and \$40,000 a year who could not earn \$5,000 a year outside that employment.

There ought to be some supervisory power with respect to fixing of compensation, irrespective of who has to pay the bill. If Congress gives the commission the power to levy the assessment, still we should, in justice to those upon whom the levy is made, see that there is some supervising power with respect to the question of fixing the compensation.

I am not going to offer an amendment, Mr. President, because I do not suppose it is likely to prevail, but the committee which has this in charge ought to take into consideration an amendment to the effect that the commission is authorized to appoint, and by and with the approval of so-and-so to fix the compensation. There ought to be a review of the compensation. There ought to be a consideration of it by those who are not immediately concerned in the fixing of it, and so forth. I urge that not for this bill alone but there are other bills, some of which we have been considering in the last few days, giving to boards the power to fix compensation, and I know that it will lead to results for which those who are responsible will deeply regret hereafter.

Mr. GLASS. So far as I am concerned, I am willing to put in the proposed statute a limitation upon legal fees, if that is desirable. I do not know just exactly what authority we might appeal to to supervise the supervisors. To whom would the Senator delegate the authority to approve or disapprove the assessments made by this board? And what authority would be better advised as to the necessity of an assessment than the commissioners themselves?

Mr. BORAH. Of course, it is assumed that they will be advised about that matter. But we do not give the highest judicial officers of the country power to fix their salaries.

Mr. BARKLEY. We do not give the board the power to fix the salaries here.

Mr. BORAH. Well, in practice it is the same thing.

Mr. BARKLEY. We fix their salaries in the bill. I do not know how Congress could have enough information about what attorneys and special experts they may need, to fix the salary of each one in the law in advance. We do not even know how many they will need. We do know what type of men they will have.

Mr. BORAH. No; I think that would be very difficult to do. But suppose we should say, "with the approval of the President."

Mr. BARKLEY. I should have no objection to that.

Mr. HASTINGS. Mr. President, I was about to call the Senator's attention to the fact that with respect to the budgets, as I understand, which are fixed for the various codes—those budgets, before being put into effect, and before assessments are made, are approved by the President. Certainly we might go that far in this instance without doing any particular harm, and it would be some guide, and give some control over the situation.

Mr. BORAH. I think the very fact that the President had to approve, whether or not in each instance his specific attention was required, would have a very desirable effect.

Mr. BARKLEY. I will say to the Senator that in the Economy Act we provided that no vacancy could be filled, where a vacancy existed, except by the approval of the President, so that now if there is a vacancy in the office of a deputy United States marshal or a deputy collector of the remotest district in the United States, the collector of internal revenue in the State or the Commissioner of Internal Revenue here in Washington cannot fill that vacancy by appointing a man to a \$1,200 job without sending the nomination to the White House and getting the President's specific approval thereof before the appointment can be made. I happen to know that in some cases it has resulted in delays. It is bound to be a matter of routine.

The President cannot investigate each one of these little cases. I do not know just to what extent he would be in a position to investigate the salary of each man who might be employed by this commission. In our effort to tie up these boards here in Washington, I think we have gone too far, especially in regard to the matter of salaries.

Mr. BORAH. Of course, Mr. President, we are passing laws every day which impose duties upon the President which no human being can possibly perform, but it does have a very salutary effect upon such matters as this to know that such questions may be brought, and in the first instance are brought at first, to the attention of the President or some supervising power.

Mr. GLASS. We are passing laws imposing duties that no human being could perform.

Mr. BORAH. There is no question about that.

Mr. STEIWER. Mr. President, in dealing with this rather important section 4 of the bill I will endeavor to express my views in connection with several features of it. I voted in favor of the amendment offered by the Senator from Colorado [Mr. COSTIGAN] not because I regard the Federal Trade Commission as being particularly better adapted to administer the law than a special commission appointed for this purpose. I voted for administration by the Federal Trade Commission because it is a conventional and controlled agency of the Government. It is subject to the restrictions to which all the other governmental agencies are subject. The objections that arise to section 4 of the bill would not arise if we were to delegate this authority to the Federal Trade Commission rather than to a special commission.

Mr. President, I believe the following observations are justified as to section 4:

First. It places no limit on the number of employees.

Second. It places no limit on the salaries of employees.

Third. It places no limit on the amount of expense that may be incurred by the Securities Commission.

Fourth. It places no limit on the assessments that may be levied on national security exchanges.

Fifth. It makes no requirement for civil-service eligibility, nor does it provide for application of the Classification Act to employees.

Sixth. It results in no supervision as to expenditures by the Bureau of the Budget.

Seventh. It does not require the commission to make any justification for its activities and expenditures to the Congress or to committees of the Congress.

Eighth. Its accounts and expenditures are not under any restraint by the Comptroller General.

There are probably other observations which might be made with respect to it which just as forcefully condemn it as do the eight I have enumerated.

I see great merit in the amendment offered by the Senator from New York [Mr. COPELAND]. As I understand the amendment, it provides that the expenses of the commission shall be paid by regular appropriations made by the Congress. It provides in the second instance that the commission shall levy upon the stock exchanges certain assessments which are to be covered into the Treasury as miscellaneous receipts. The net result of that procedure is to accomplish an orderly and controlled administration of the business of the commission.

The commission would be obliged to take its estimates to the Bureau of the Budget, and it would be obliged to justify those estimates before the Appropriations Committees of the House and Senate. Moreover, expenditures, when made, would be subject to the approval of the Comptroller General of the United States. Adoption of the amendment would obviate the objections suggested by the Senator from Kentucky [Mr. LOGAN], and I want to repeat his suggestion because to me it is very disturbing in its import.

He suggested in effect that in the proposed commission there is a power to create expenses because the commission makes its own rules and regulations. That in the main is true. The commission has almost unlimited power to make rules and regulations for carrying into effect the different provisions of the bill. What, therefore, is to determine the amount of the expense of the commission? Primarily, the expense will be determined by the nature of the rules and regulations which the commission promulgates. If the commission makes rules and regulations which necessarily require the expenditure of money, the assessments will be large. If the commission is conservative, the assessments will be small.

In this regard the commission is substantially without restraint, and will be governed by its own discretion in making its rules and regulations. Having done that, it will fix the assessments to fit the requirements. Not only will it fix the assessment upon the stock exchanges which it will regulate, but it will do so in order to get the money to administer the over-the-counter markets and to control and regulate the brokers' offices of the country.

Mr. President, it seems to me if we are to make any pretense at all of providing a law-abiding administration—and I use the term only in the sense of whether it is to run wild with respect to expenses—we ought to put it under the normal, usual restraints to which we subject other agencies of the Government. The proposal of the Senator from New York [Mr. COPELAND] will not injure the administration of the law. It will not change the powers of the Commission except that it will require the Commission to go to the Bureau of the Budget, and then to committees of the Congress, and then to have the legality of its accounts audited by the Comptroller General of the United States.

I would suggest to the Senator from New York, if he wants a suggestion from me with respect to it, that instead of providing the fees shall be in an amount equal to one five-hundredth of 1 percent, he change the language so it will read something like this:

That such fee shall be in such amount as the commission may find necessary to meet the expenses of the administration of this act, not to exceed one five-hundredth of 1 percent.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New York?

Mr. STEIWER. Certainly.

Mr. COPELAND. I thought of suggesting that the language be changed to read as follows:

Such fees shall be fixed by the commission and in an amount sufficient to pay the expenses of the commission.

Then there will be a difference of language between the two Houses and latitude sufficient to work out a satisfactory plan.

Mr. STEIWER. I think that would be a sufficiently satisfactory adjustment of the matter. I would not contend further upon that point.

I want to make one further suggestion, however. As I understood the Senator from New York, he offered his amendment as a substitute for the amendment offered by the Senator from Delaware [Mr. HASTINGS]. The latter's amendment is to subsection (c). The amendment offered by the Senator from New York is to subsection (d). I think there is no necessary conflict between the proposals, and therefore the amendment offered by the Senator from New York ought not to be offered as a substitute for the other amendment. It might well be withdrawn and then offered independently. The amendment offered by the Senator from New York deals primarily with the expenditures of the commission and the mode of raising the money and paying the bills. The amendment offered by the Senator from Delaware deals chiefly with the appointing power of the commission and places a limitation upon the salaries of certain of the employees of the commission.

Mr. COPELAND. I think the Senator is right; and I ask consent of the Senate to withdraw my amendment for the moment until that offered by the Senator from Delaware may be disposed of.

Mr. STEIWER. That is most considerate of the Senator, and I think that is the proper course—to enable the Senate to pass first upon the amendment offered by the Senator from Delaware—to determine whether or not we desire to bring certain employees of the commission under the classified civil service.

The question was asked a little while ago by the Senator from Idaho whether that would fix their salaries. I do not pose as an authority upon the subject; but it seems reasonably plain that if we should put employees under the classified civil service, we would in fact fix the salaries as of the grades permitted under such service. If that is not done, Mr. President, then, of course, there is no limitation upon the salaries; there is nothing prescribed as to the duties; and the whole arrangement with respect to employees and the duties and work of the employees will be made upon the judgment and discretion of the commission, without the restraint of any law.

The PRESIDING OFFICER. Without objection, the amendment proposed by the Senator from New York [Mr. COPELAND] will be considered withdrawn. The question now is upon the amendment proposed by the Senator from Delaware [Mr. HASTINGS], which will be stated.

The CHIEF CLERK. On page 10 it is proposed to strike out all of line 5 down to and including the word "subsection" on page 11, line 4, and in lieu thereof to insert the following:

(c) The commission is authorized to appoint and fix the compensation of such attorneys, examiners, and other experts and employees as may be necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress.

With the exception of the secretary, a clerk to each commissioner, the attorneys, and such special experts and examiners as the commission may from time to time find necessary for the conduct of its work, all employees of the commission shall be part of the classified civil service, and shall enter the service under such rules and regulations as may be prescribed by the commission and by the Civil Service Commission.

All of the expenses of the commission, including all necessary expenses for transportation, incurred by the commissioners or by employees under their orders in making any investigation or upon official business in other places than in the city of Washington shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the commission. Until otherwise

provided by law, the Commission may rent suitable offices for its use. The General Accounting Office shall receive and examine all accounts of expenditures of the commission.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

The amendment was rejected.

Mr. COPELAND. Now, Mr. President, I reoffer my amendment to subsection (d), with the addition of an amendment to subsection (e) modifying the language on line 7 of the amendment which I presented so as to strike out, after the words "shall be", the remainder of the sentence, and insert "fixed by the commission and in an amount sufficient to pay the expenses of the commission", so that it shall read:

Such fee shall be fixed by the commission and in an amount sufficient to pay the expenses of the commission.

The rest of the amendment will be as heretofore read.

The PRESIDING OFFICER. The question is on the amendment, as modified, offered by the Senator from New York, which will be stated.

The CHIEF CLERK. On page 10, beginning with line 11, it is proposed to strike out through line 4 on page 11, and to insert in lieu thereof the following:

(d) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, (1) such sums as may be necessary to enable the commission to complete its organization and to carry on its work during the first year after its establishment, and (2) such sums annually thereafter as may be necessary to enable the commission to carry on its functions under this title.

(e) Every national securities exchange shall pay to the commission on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be fixed by the commission and in an amount sufficient to pay the expenses of the commission. The commission shall pay into the Treasury the amount of all fees paid to it under this subsection on or before April 1 of each calendar year, and the same shall be covered into the Treasury as miscellaneous receipts.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New York, as modified.

On a division, the amendment, as modified, was rejected.

Mr. HEBERT. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 48, line 9, between the word "secrets" and the comma, it is proposed to insert "or confidential or competitive information"; so as to read:

PUBLIC CHARACTER OF INFORMATION

SEC. 23. (a) The information contained in any application, report, or document filed with the Commission may be made available to the public whenever in the judgment of the Commission a disclosure of such information is necessary or appropriate in the public interest or for the protection of investors and does not reveal trade secrets or confidential or competitive information, and copies thereof, photostat or otherwise, may be furnished to any person at such reasonable charge as the Commission may prescribe—

And so forth.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island.

Mr. HEBERT. Mr. President, I shall not detain the Senate unduly in explaining the amendment I have proposed, because I realize that the committee having the bill in charge has given it long and careful consideration; and yet I should not feel justified in withholding this amendment, even at this late hour in the day, because it has been suggested to me by one of my constituents who feels that his interests may be affected by the bill if it shall become a law.

Mr. FLETCHER. Mr. President, if the Senator will allow me, I really believe that the language now in the bill covers the matter; but if the Senator desires to add those words to the trade-secrets provision I shall not object to having that done.

Mr. HEBERT. I thank the Senator.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island.

The amendment was agreed to.

Mr. HEBERT. Mr. President, I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 54, it is proposed to strike out lines 8 to 15, inclusive, and in line 16 to strike out "(c)" and to insert in lieu thereof "(b)".

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island.

Mr. HEBERT. Mr. President, this amendment is proposed to paragraph (b) of section 28 on page 54 of the printed bill. Paragraph (b) provides as follows:

Every contract made in violation of any provision of this act or of any rule or regulation thereunder, and every contract, including any contract for listing a security on an exchange, heretofore made, the performance of which involves the continuance of any relationship or practice prohibited by this act or any rule or regulation thereunder, shall be void as regards any cause of action arising after the effective date of such provision, rule, or regulation.

To my mind, this provision of the bill would operate to affect existing contracts, and to take away from parties to such contracts rights which they might well have thereunder. I repeat that this paragraph affects not only contracts hereafter made but contracts heretofore made, the performance of which involves the continuance of any relationship or practice prohibited by the bill.

Let us assume that a broker, a member of a stock exchange, has an agreement with a customer to do certain things in respect to the purchase and sale of certain securities. Under that agreement we will assume that the member of the stock exchange agrees to advance certain funds upon the security of the particular things he has for sale or which he is going to purchase for the customer.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. BYRNES. I intended to offer a substitute for this paragraph; and if the Senator will permit me to send it to the desk and have it read at this time, he may be satisfied with the amendment I propose to offer.

The PRESIDING OFFICER. The amendment of the Senator from South Carolina will be stated.

The CHIEF CLERK. It is proposed to strike out subsection (b) of section 28, on page 54, and in lieu thereof to insert:

(b) Every contract made in violation of any provision of this act or of any rule or regulation thereunder, and every contract (including any contract for listing a security on an exchange) heretofore or hereafter made, the performance of which involves the violation of or the continuance of any relationship or practice in violation of, any provision of this act or any rule or regulation thereunder, shall be void as regards the rights of any person who, in violation of any provision of this act or any rule or regulation thereunder, shall have made or engaged in the performance of any such contract, and as regards the rights of any person who, not being a party to such contract, shall have acquired any right thereunder with actual knowledge of the facts by reason of which the making or performance of such contract was in violation of any provision of this act or any rule or regulation thereunder.

Mr. HEBERT. Mr. President, as I listen to the substitute proposed by the Senator from South Carolina [Mr. BYRNES], it seems to me that it leaves the undesirable provision, and what I consider to be the unconstitutional part of paragraph (b), still in effect; that is, it operates as to contracts heretofore entered into.

I have no quarrel with the Senator so far as concerns making unlawful any relations or entering into any agreements which are forbidden by the bill, provided the bill relates to agreements hereafter entered into but not to those heretofore made, because, clearly, under contracts heretofore entered into the parties to the contracts have acquired some constitutional rights which even this great body cannot take away; yet the provisions of paragraph (b) pretend to do that very thing. That is the objection I have to the paragraph. If, now, the Senator from South Carolina would change the verbiage of his suggested amendment so as to have the bill apply to agreements hereafter entered into, or rights acquired under agreements hereafter entered into, I should have no objection to the form of his amendment.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. JOHNSON. As I understand the position which the Senator takes, it is that this particular provision is retroactive.

Mr. HEBERT. Exactly.

Mr. JOHNSON. How does the amendment of the Senator seek to correct the evil which thus he assails? The clerk has not read the amendment.

Mr. HEBERT. Mr. President, I am asking to strike out the words beginning on line 9, down to and including line 15. I want to say now, however, that in the light of the suggestion made by the Senator from South Carolina, I would not go so far as to strike out the provisions of paragraph (b), so far as they relate to contracts hereafter entered into. If we can agree upon a form of amendment which will make this provision apply to contracts hereafter entered into, then there will be no constitutional objection to such an amendment and no one's rights will be interfered with.

Mr. JOHNSON. Cannot what is sought by the proponents of the act and what the Senator desires be preserved by merely deleting the two words "heretofore made", and have the reference then to contracts executed subsequently to the enactment of the measure?

Mr. HEBERT. That would be entirely satisfactory.

Mr. BYRNES. Mr. President, I have no objection to modifying the amendment by eliminating the word "heretofore", so that under the amendment, so far as the contract is concerned, it is to be deemed valid only as to one who violates the law, the guilty person, and the rights of the innocent person to the contract will be protected.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from South Carolina.

Mr. HEBERT. Mr. President, as I understand, the question is on my amendment as modified by the Senator from South Carolina, and I have agreed to the modification.

The PRESIDING OFFICER. The Senator from South Carolina offered his amendment in the nature of a substitute for the text of the section, and it would take precedence under the rules of the amendment of the Senator from Rhode Island. Does the Senator from South Carolina offer his amendment as a substitute for the text of the bill?

Mr. BYRNES. I offer it as a substitute for the text.

The PRESIDING OFFICER. Then the question would be as stated by the Chair.

Mr. JOHNSON. Mr. President, has the amendment of the Senator from South Carolina now been modified as he suggested a moment ago?

Mr. BYRNES. It has been.

Mr. JOHNSON. So that the particular portion of the bill now under consideration has relation to contracts which shall be made after the passage of the bill, or after the making of the rules and regulations, as the case may be?

Mr. BYRNES. That is correct.

Mr. HEBERT. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment of the Senator from Rhode Island.

The amendment was rejected.

Mr. HEBERT. Mr. President, I offer another amendment.

Mr. JOHNSON. May I inquire of the Senator from Florida whether he is proposing to have the Senate continue in session for a considerable period of time longer?

Mr. FLETCHER. I want the Senate to remain in session as long as may be practicable, and dispose of amendments. I do not want to stop now. I want to get the amendments out of the way. We have to do that.

Mr. JOHNSON. Will we adjourn, in the Senator's opinion, by half past 2 o'clock tomorrow morning?

Mr. FLETCHER. I hope so.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Rhode Island.

The CHIEF CLERK. On page 40, line 17, it is proposed to strike out the word "reliance," and to insert in lieu thereof the word "statement"; and in line 25, to strike out the words "As used in this subsection;" and on page 41 to strike out lines 1 to 4, inclusive.

Mr. HEBERT. Mr. President, if the Chairman of the Committee on Banking and Currency will give his attention to the first part of the amendment which is now proposed, he will readily see that it is a perfecting amendment, and it is the right language to use in place of that which is to be found in the bill on page 40, line 17.

The bill now reads, beginning after the parenthesis on page 40, line 15, "who, in reliance upon such statement, shall have purchased or sold a security at a price which was affected by such statement, for damages caused by such reliance."

The damage is not caused by "such reliance"; the damage is caused as a result of a misleading statement made to the purchaser. The word "statement" ought to be substituted in place of the word "reliance." I think that must be clear to anyone who reads it. Following along further in the amendment which I now propose, I would delete the words, beginning in line 25, page 40, "As used in this subsection the term 'statement' shall be construed to include any omission to state a material fact which is required to be stated in any such application, report, or document, or which is necessary to make the statement not misleading."

Clearly that language involves an impossibility. If Senators will analyze the language I have just read "shall be construed to include any omission to state a material fact", they will see that the two things cannot be read together without their destroying each other. Under the original statement, there cannot be one to be construed, and all that is covered in lines 1 to 4, inclusive, on page 41, is included within the provisions of section 18 on page 40.

If anything material is left out of the statement, if the whole truth concerning a given state of facts is not included in the statement, using the very language at the end of the paragraph (a), on page 41, "to make the statement not misleading", all of that would be included within the provisions of section 18, paragraph (a).

I confess I have never seen a piece of legislation drafted so as to provide that nothing in a statement which does not exist shall be misleading or that anything that shall be left out of a statement that does not exist shall be misleading.

Mr. FLETCHER. Mr. President, I will say to the Senator that in the amendment which I am offering, or will as soon as we get to it, an amendment to the Securities Act, we will change that language in the Securities Act; and if that amendment shall be agreed to, it will become a part of this bill, and will be the law. I would rather not agree to the amendment proposed by the Senator.

Mr. HEBERT. Mr. President, does the Senator say that the objection which I am now making to the provisions of section 18 are going to be taken care of by a substitute amendment which the committee will propose?

Mr. FLETCHER. The amendment which I shall propose will carry a provision with reference to the Securities Act, which will then become a part of this measure. It will deal with the question of reliance upon representations.

Mr. HEBERT. Mr. President, how will that affect this provision? This provision concerns what is, to my mind, an impossible state of affairs.

Mr. FLETCHER. This provision might not be inconsistent with the language of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island. [Putting the question.] The amendment is agreed to.

Mr. BYRNES. Mr. President, what was the announcement by the Chair?

The PRESIDING OFFICER. The announcement was that the amendment had been agreed to.

Mr. BYRNES. I ask for a division.

The PRESIDING OFFICER. A division is called for.

Mr. HEBERT. Mr. President, I do not want to take up the time of the Senate unduly, but if the Senator insists upon a division I shall suggest the absence of a quorum and ask for a roll call.

Mr. BYRNES. Mr. President, I have no objection. Certainly the Senator from Rhode Island should not object to my asking for a division. Upon my asking for a division he states that he will suggest the absence of a quorum, and ask for a roll call.

Mr. HEBERT. Mr. President, we have gone along all afternoon and have not asked for divisions or roll calls, because we were anxious to expedite the consideration of the bill. I do not want to prolong the session of the Senate unduly.

Mr. BYRNES. All I ask is an opportunity to ascertain the sentiment of the Senate on this amendment. If that brings the Senator to the point of suggesting the absence of a quorum, the Senator can suggest the absence of a quorum and ask for a roll call.

Mr. FLETCHER. All we ask for is a division. We are impressed that Senators were not perhaps fully aware of the question being put, and we simply ask that those who are here divide on the subject; not that a yea-and-nay vote may be necessary.

Mr. CLARK. I ask unanimous consent that the amendment be restated.

The PRESIDING OFFICER. Without objection, the amendment will be restated.

The CHIEF CLERK. On page 40, line 17, after the words "caused by such", it is proposed to strike out the word "reliance" and to insert in lieu thereof the word "statement"; in line 25, after the word "litigant", it is proposed to strike out the words "As used in this subsection"; and on page 41 it is proposed to strike out lines 1 to 4, both inclusive.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. HEBERT].

The amendment was rejected.

Mr. HEBERT. I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 12, line 7, after the word "members", it is proposed to strike out "and by issuers whose securities are registered thereon."

Mr. HEBERT. Mr. President, this amendment would change paragraph no. (1) on page 12. It has relation to the registration of national securities exchanges. The paragraph now provides that any exchange desiring to be registered shall file an agreement to comply and to enforce so far as is within its powers, compliance by its members "and by issuers whose securities are registered thereon."

Manifestly, that is an impossible task. No member of an exchange could ever hope to secure compliance on the part of the 600,000 corporations issuing stock or other evidences of indebtedness in this country. It is an impossible thing to expect the members of the exchange to do; and yet, if they fail to do it, there is the implication that they may render themselves liable to the very severe penalties imposed elsewhere in this bill. Surely some consideration should be given to the difficulties which will be encountered in securing a compliance with that part of paragraph (1) on page 12.

I propose to delete from the paragraph the words "and by issuers whose securities are registered thereon", so that it will apply to the members of the exchanges themselves. They must file the agreements. They must do all that the regulations require.

Mr. FLETCHER. Mr. President, the amendment has just been presented to me. It is rather far-reaching in its effect. It is difficult for me to make up my mind about it. I appreciate the argument made by the Senator from Rhode Island, although it seems to me the language proposed to

be stricken out is quite important. What would be the effect, may I ask the Senator, of eliminating the issuer?

Mr. HEBERT. Mr. President, the issuer will not be subject to the regulation of the stock exchange. The issuer will not be a member of any stock exchange. It is merely the member who will be subject to the regulation of the stock exchange; and yet there is placed upon the member of the stock exchange the obligation of making the issuer comply with the regulations of the stock exchange, of which the issuer is not a member, and with which the issuer has nothing in common. It seems to me that it is going a long way to impose an obligation upon a member of a stock exchange, and, if he fails to meet that obligation, to subject him to the very severe penalties imposed by the bill.

Mr. FLETCHER. I think we can agree to the amendment and let it go to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. HEBERT].

The amendment was agreed to.

Mr. HEBERT. I send to the desk another amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 56 it is proposed to strike out lines 3 to 21, both inclusive, and in lieu thereof to insert the following:

Sec. 30. Any person who willfully violates any provision of this act which is declared to be unlawful, or any person (including any director or officer, or any accountant or other expert) who willfully and knowingly makes, or causes to be made, any statement in any application, report, or document required to be filed under this act, which statement was false with respect to any material fact, shall upon conviction be fined not more than \$5,000 or imprisoned not more than 1 year, or both, except that when such person is an exchange, a fine not exceeding \$100,000 may be imposed.

Mr. HEBERT. Mr. President, if I may have the attention of the chairman of the committee, I will explain the provisions of the amendment which has just been read at the desk. It seeks to make two changes. It relates to section 30, on page 56, the penalty section. It removes the distinction between violations of the law proper and violations of the regulations of the Commission.

From a reading of section 30 it is apparent that paragraph (a) imposes very severe penalties for violations of the law and that paragraph (b) imposes less severe penalties for violations of the regulations issued by the Commission. The amendment would make no distinction as between violations of one kind and another, but it would materially reduce the maximum penalty for violations of either the law or the regulations of the Commission.

It may be said that there is some justification for imposing very severe penalties for violations of the law. Through the years I have had some experience with the consideration of that subject, and I long since reached the conclusion that the severity of the penalty does not in and of itself act as a deterrent.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. HEBERT. Certainly.

Mr. COUZENS. These are only maximum penalties and the amounts imposed would be within the discretion of the court.

Mr. HEBERT. I realize they are only maximum penalties, but I realize too that there are those before whom offenders might be tried who would impose the maximum penalty. I realize that has been done in the past in not a few instances, and in a cruel way in many instances.

The first purpose of a penalty under a statute of any kind is that it shall act as a deterrent. In other words, it says to citizens of the country, "If you violate this law, then you will incur this penalty." The penalty fixed is intended to deter people from violation of the law.

It is not a question of what the Government recovers in the way of fines. That is not the purpose of the penalty. It never has been. In criminal cases it is supposed in theory to be in a way to pay for the indignity that has been

done to the Government because of the violation of its law, but in real purpose it is intended as a deterrent.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. COUZENS. The committee gave a great deal of consideration to the question of penalties. May I point out to the Senator that the amount of the fine imposed for the commission of many acts which the bill intends to cover would constitute a small penalty amounting to practically nothing so far as protection of the public is concerned. In other words, anyone who undertakes to violate this law may clean up many millions of dollars by a violation of the law and then get off with a mere minor penalty. The committee considered that matter, and I hope the Senate will not reduce the amount of the penalty because of the possibility of making large sums of money by violation of the law.

Mr. HEBERT. I never supposed that the imposition of a fine in cases of this kind would go very far to deter one who was disposed to enter into law violations where a great amount of profit might be realized. But the Senator will bear in mind that this section carries an imprisonment provision. Not only may the offender be assessed a penalty in the form of a fine, but he may be imprisoned as well. The two may go together.

Mr. COUZENS. Yes; that is for violation of the law.

Mr. HEBERT. It is not merely a question of fine but a question of imprisonment as well.

Having in mind the purpose of a penalty in a statute of this kind, it has seemed to me that the limit placed upon the penalties in the bill is very much too high. I think it will destroy its own purpose. Moreover, I think it will act as a deterrent to others entering into the brokerage business. It may be difficult to secure the necessary capital with which to enter into the business of selling securities because of the danger that there may be severe penalties to be imposed because of violation of the prohibitions of the bill.

I have just indicated, in connection with the previous amendment I offered, in which I sought to make a change so that members of a stock exchange would not be required to have the issuers of securities subjected to the provisions of the bill, how easy it would be to subject one to the penalties provided in the bill.

Mr. President, I have no disposition to do anything which would in the least make less effective the provisions of the bill. I am satisfied that the change proposed in the penalties would not do that. I rather think it would be an improvement in the form of the bill, and that is the reason why I am suggesting the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island.

The amendment was rejected.

Mr. STEIWER. Mr. President, I had a discussion with the Senator from South Carolina [Mr. BYRNES] a day or two ago with respect to the use of the words "any material respect." I suggested to him—indeed, it was suggested in committee, and I believe that the Senator from South Carolina and the chairman of the committee were both in agreement—that the language might well be changed so it would read "with respect to any material fact." I have such an amendment I want to offer, and I am wondering if I can have it accepted without debate?

Mr. BYRNES. Mr. President, I am familiar with the amendment to which the Senator from Oregon refers, and I know it was the intention of the committee to include those words. I hope the amendment will be adopted.

Mr. STEIWER. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 20, line 19, to strike out the words "in any material respect" and insert in lieu thereof "with respect to any material fact."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oregon.

The amendment was agreed to.

Mr. STEIWER. I offer the same amendment on page 40. The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed on page 40, line 13, to strike out the words "in any material respect" and insert in lieu thereof the words "with respect to any material fact."

The amendment was agreed to.

Mr. STEIWER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 28, beginning in line 13, to strike out the words "to comply with the provisions of this act and any amendments thereto and with the rules and regulations made or to be made thereunder, and".

Mr. STEIWER. Mr. President, I do not want to take the time of the Senate for the purpose of discussing the amendment at length. In a very few sentences I can state my purpose in offering the amendment.

In an amendment offered earlier in the day by the Senator from Delaware [Mr. HASTINGS] he sought to have the House language substituted for paragraph (b) of section 12 of the Senate bill. That involved a number of changes, but the significant change would have been the elimination from section 12, paragraph (b), of the requirement for an agreement to be made by the issuer, commencing in line 11, page 28. That proposal was voted down by the Senate. It was voted down upon the argument that it would eliminate the latter part of that subsection which would be necessary in order to regulate the lending of funds at the money post of the exchange or to any broker or dealer who transacts business in securities through the medium of any member of the exchange.

It was contended in that argument, and it was contended in the debate by a number of Senators with whom I discussed the matter as a part of my contribution to the debate, that the first part of the subsection had no practical effect and that it imposed no liability upon the issuer that would not have existed in any event by reason of the fact that the issuer would be bound to comply with the rules and regulations made and to be made by the commission. I myself believe that that contention is almost entirely sound. It has occurred to me at all times that the requirement here for the member to comply with rules and regulations made or to be made does not substantially change the position of the issuer, except with respect to the possibility of civil liabilities to be asserted in the future.

The only purpose of this amendment is to strike from the subsection the requirement that the issuer must agree to comply with the provisions of this measure and any amendments thereto, and with the rules and regulations made or to be made thereunder. The remainder of the subsection will be left entirely unaffected. If those of my friends who contend that the issuer must in any case abide by the rules and regulations, and that this language does not impose any additional restriction or requirement upon him, sincerely want to follow through with their own suggestion, they may do it by joining now in voting for this amendment, so that the subsection will merely provide that the issuer must make an agreement with the exchange and with the commission to the effect that it will not lend any funds in violation of the requirements of the agreement.

Much could be said on the subject, but I think I shall not detain the Senate. The issue is known to all of us. I wish the Senator from Alabama [Mr. BLACK] were here. He is the one who, in the earlier debate, most insistently urged upon the Senate that the language which I now seek to strike out would not add anything at all to the liabilities of the issuer, either civilly or criminally, and that in any event he would be obliged to comply with the rules and regulations made and to be made by the commission. It seems to me that if corporations are objecting to this requirement, and if, indeed, it does not add anything to the strength of the proposed law, we ought to eliminate it from the bill so as

to make the bill as inoffensive as it is possible to make it upon this point.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oregon [Mr. STEWART].

The amendment was rejected.

Mr. FLETCHER. Mr. President, I am wondering if there are any more amendments to be offered to the bill.

Mr. BULKLEY. I desire to offer an amendment.

Mr. FLETCHER. I am about to ask for a recess. I desire to give notice that tomorrow, when the Senate meets, I intend to offer as title II of this bill the amendments which have heretofore been proposed to the Securities Act of 1933. I hope to have that question disposed of and have the bill finally acted upon tomorrow.

The PRESIDING OFFICER. The Senator from Ohio [Mr. BULKLEY] offers an amendment which will be stated.

The LEGISLATIVE CLERK. On page 35, line 17, after the words "submission of", it is proposed to insert "a notice of a stockholders' meeting, whether or not accompanied by", so as to read:

As used in this subsection the term "to solicit" shall not be deemed to include the mere submission of a notice of a stockholders' meeting, whether or not accompanied by a form of proxy for the convenience of stockholders.

Mr. FLETCHER. Mr. President, I think that amendment can be agreed to without any objection. Let us dispose of it now.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Ohio.

The amendment was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House insisted upon its amendments to the bill (S. 3170), an act to authorize the Postmaster General to award 1-year contracts for carrying air mail, to establish a commission to report a national aviation policy, and for other purposes, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MEAD, Mr. ROMJUE, Mr. DOBBINS, Mr. KELLY of Pennsylvania, and Mr. Foss were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 752. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards;

S. 2671. An act repealing certain sections of the Revised Code of Laws of the United States relating to the Indians;

H.R. 177. An act for the relief of Lottie Bryant Steel;

H.R. 190. An act for the relief of Elizabeth T. Cloud;

H.R. 200. An act for the relief of Jacob Durrenberger;

H.R. 207. An act for the relief of Homer C. Chapin;

H.R. 371. An act for the relief of Peter Guilday;

H.R. 503. An act to authorize the donation of certain land to the town of Bourne, Mass.;

H.R. 878. An act for the relief of Kathryn Thurston;

H.R. 889. An act for the relief of Frank Ferst;

H.R. 1207. An act for the relief of Robert Turner;

H.R. 1208. An act for the relief of Frederick W. Peter;

H.R. 1209. An act for the relief of Nellie Reay;

H.R. 1254. An act for the relief of H. Forsell;

H.R. 2021. An act to place Jesse C. Harmon on the retired list of the United States Marine Corps;

H.R. 2203. An act for the relief of Enoch Graf;

H.R. 2431. An act for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department;

H.R. 2750. An act for the relief of Scott C. White;

H.R. 3553. An act for the relief of Harvey O. Willis;

H.R. 3673. An act to amend the law relative to citizenship and naturalization, and for other purposes;

H.R. 3868. An act for the relief of Arabella E. Bodkin;

H.R. 4060. An act for the relief of Ellen Grant;

H.R. 4274. An act for the relief of Charles A. Brown;

H.R. 4927. An act for the relief of C. J. Holliday;

H.R. 4928. An act for the relief of the Palmetto Cotton Co.;

H.R. 4929. An act for the relief of J. B. Trotter;

H.R. 5299. An act for the relief of Orville A. Murphy;

H.R. 5542. An act for the relief of Joe G. McInerney;

H.R. 7059. An act to provide for the further development of vocational education in the several States and Territories;

H.R. 8052. An act to amend sections 203 and 207 of the Hawaiian Homes Commission Act, 1920 (U.S.C., title 48, secs. 697 and 701), conferring upon certain lands of Auwailimu, Kewalo, and Kalawahine, on the Island of Oahu, Territory of Hawaii, the status of Hawaiian home lands, and providing for the leasing thereof for residence purposes;

H.R. 8208. An act to provide for the exploitation for oil, gas, and other minerals on the lands comprising Fort Morgan Military Reservation, Ala.;

H.R. 8235. An act to authorize the Secretary of War to convey by appropriate deed of conveyance certain lands in the District of Ewa, Island of Oahu, Territory of Hawaii; and

H.J.Res. 311. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at A Century of Progress Exposition, Chicago, Ill., to be admitted without payment of tariff, and for other purposes.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. DUFFY in the chair), as in executive session, laid before the Senate a message from the President of the United States, submitting sundry nominations in the Army, which was referred to the Committee on Military Affairs.

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

PRIZE ESSAY ON LINCOLN

Mr. COPELAND. Mr. President, one of my friends has sent me an essay on Lincoln. It was written by a 12-year-old schoolgirl, and, in my opinion, is worthy a place in the CONGRESSIONAL RECORD. It is found in the Pawtucket Times, February 14. I ask that the essay may be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

[From the Pawtucket Times, Wednesday, Feb. 14, 1934]

ASHTON PUPIL GETS PRIZE FOR LINCOLN ESSAY—RUTH E. JONES IS GIVEN THOMAS LEIGHTON AWARD IN TOWN-WIDE CONTEST

The prize-winning essay written by Ruth E. Jones, 12, daughter of Mr. and Mrs. Sam Jones, of Scott Road, Ashton, in the annual contest for the Thomas Leighton prize in Cumberland, is as follows:

"In this day of modern, comfortable homes, with conveniences at every hand, it is hard to imagine a dwelling as crude as that of Thomas Lincoln in the backwoods of Kentucky early in 1800. One would think that such a home could not yield strength and wisdom, but little Abraham Lincoln, who was born there on February 12, 1809, grew to be an unusually strong and intelligent child. At the age of 7 he carried an ax and gun and worked hard on the little farm.

"His schooling had to be acquired 'by littles', and amounted in all to less than a year. However, his mother, Nancy Hanks Lincoln, taught him to read and write. In later years Lincoln said, 'All that I am and all that I hope to be I owe to my sainted mother.'

"Lincoln had few books and would walk miles to borrow others. Lincoln had no light by which to study except from the fireplace, and no paper on which to write, but he did his 'sums' on a wooden shovel, and shaved it clean when finished.

"When Lincoln was 21 he saw for the first time, while on a trip to New Orleans, Negroes chained, whipped, separated from their families, and sold in the market place like cattle. This grieved the kind-hearted man and he decided that if it ever became possible for him to do so, he would fight slavery.

"During these years Lincoln became greatly interested in law and politics and would often walk 12 miles to the law office of a friend to study the books there. While studying with the hopes of becoming a lawyer, he was for a time assistant county surveyor and local postmaster. But in time he accomplished his purpose and was admitted to the bar. In all his law practice he would not defend a case unless he felt it absolutely right and just.

"The feeling against slavery was gaining in the North, while slavery itself was spreading in the South. Lincoln sent out the alarm, 'Slavery is spreading like wildfire', and challenged Stephen A. Douglas to a series of debates. Seven debates followed in towns in Illinois. People came from all around to hear them. Douglas

argued that each State should be allowed to choose for itself whether it should be free or slave.

"Lincoln claimed that no man had a right to be master of another, and that a nation divided could not stand. Douglas won the debates, but Lincoln's strength of character made such a lasting impression upon the people that in 1860 they elected him President of the United States. The election caused great bitterness in the South, and several States seceded from the Union and formed the Confederate States of America.

"Four dark years of war followed, during which Lincoln worked, first, for the preservation of the Union and, secondly, for the freedom of the slaves. Meanwhile Lincoln issued and signed the Emancipation Proclamation, setting 4,000,000 slaves 'henceforth and forever free.' Finally in April 1865 the terrible war came to an end with the surrender of the South. The Union was saved, the slaves were free, but this great gladness was turned into sorrow when Lincoln was shot by an assassin.

"The savior of his country belongs to the ages."

In announcing the award the judges issued the following statement:

"It was no task but a pleasure to act as judges for the excellent essays submitted. In every instance it was not alone thoroughness in preparation of subject that should be praised, but neatness of papers, excellence of penmanship, accuracy of spelling, and knowledge of English. The judges wish to congratulate both teachers and pupils."

Students of all Cumberland schools participated in the contest.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 55 minutes p.m.) the Senate took a recess until tomorrow, Saturday, May 12, 1934, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate May 11 (legislative day of May 10), 1934

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO CAVALRY

Second Lt. Charles Edward Wheatley, Jr., Coast Artillery Corps, with rank from June 10, 1932, effective June 10, 1934.

TO FIELD ARTILLERY

First Lt. Howard Waite Brimmer, Infantry, with rank from March 25, 1923.

PROMOTIONS IN THE REGULAR ARMY

To be captains

First Lt. Wallace Gordon Smith, Air Corps, from May 3, 1934.

First Lt. Charles Adam Horn, Air Corps, from May 6, 1934.

To be first lieutenants

Second Lt. Leroy Cullom Davis, Field Artillery, from May 3, 1934.

Second Lt. Alvord Van Patten Anderson, Jr., Air Corps, from May 6, 1934.

MEDICAL CORPS

To be lieutenant colonels

Maj. Charles Lewis Gandy, Medical Corps, from May 6, 1934.

Maj. William Washington Vaughan, Medical Corps, from May 9, 1934.

To be captain

First Lt. Francis Patrick Kintz, Medical Corps, from May 4, 1934.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 11, 1934

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

Rev. Robert James White, National Chaplain the American Legion, Catholic University of America, Washington, D.C., offered the following prayer:

Lord God Almighty, we bow before Thee and in humble prayer beseech Thy blessing upon our deliberations.

We again avow our dependence upon Thee, our creator, redeemer, and eternal judge, and repeat with the Psalmist of old: "The Lord is our refuge and our strength."

In Thy boundless wisdom, O Lord, Thou hast given Thy sanction to government in human affairs, because Thou hast made government a necessary instrument to bring to men the blessings of peaceful order, just laws, permanent security, and mutual helpfulness.

Keep us mindful of our responsibility to Thee for our leadership; and let us not forget that though we be leaders of men, we are yet Thy children.

Destroy, O Lord, every consideration of selfishness, of sectionalism or group. Support us, O Lord, in our abiding conviction that we are not only caring for the needs of the passing hour but are working out in part the lasting destiny of our Nation in Thy eternal plan.

Enlighten our minds and strengthen our wills to the end that the ideals we profess may become realities in the lives we live; and over our lives, and acts and thoughts and being, cast, O Lord, the protecting mantle of Thy love and charity, that all may tend to the longed-for "increase of peace and good will on earth."

We ask these blessings through Jesus Christ our Lord. Amen.

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

MESSAGE FROM THE PRESIDENT

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

On May 9, 1934:

H.R. 1127. An act for the relief of O. H. Chrisp;

H.R. 2340. An act for the relief of Russell & Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas; and

H.R. 7279. An act for the relief of Porter Bros. & Biffle and certain other citizens.

On May 10, 1934:

H.R. 7835. An act to provide revenue, equalize taxation, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 541. An act for the relief of John P. Leonard;

H.R. 4533. An act for the relief of the widow of D. W. Tanner for expense of purchasing an artificial limb;

H.R. 5405. An act for the relief of Nicola Valerio;

H.R. 7306. An act to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes", approved May 14, 1898, as amended; and

H.J.Res. 325. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1935, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbitrator.

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

S. 8. An act to add certain lands to the Boise National Forest;

S. 86. An act for the relief of A. L. Ostrander;

S. 173. An act for the relief of William Martin and John E. Walsh, Jr.;

S. 488. An act for the relief of Norman Beier;

S. 522. An act for the relief of Patrick J. Sullivan;

S. 740. An act for the relief of William G. Fulton;

S. 867. An act to define, regulate, and license real-estate brokers and real-estate salesmen; to create a Real Estate

Commission in the District of Columbia; to protect the public against fraud in real-estate transactions, and for other purposes;

S. 1629. An act for the relief of the Southern Products Co.;

S. 1639. An act to establish a Federal Credit Union System, to establish a further market for securities of the United States, and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States;

S. 1666. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.;

S. 1710. An act to authorize appropriations for the completion of the public high school at Frazer, Mont.;

S. 1735. An act to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims";

S. 1818. An act for the relief of W. P. Fuller & Co.;

S. 1822. An act for the relief of Harold Sorenson;

S. 1825. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress;

S. 1884. An act to prevent the use of Federal official patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends;

S. 2001. An act to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes;

S. 2049. An act for the relief of Western Electric Co., Inc.;

S. 2286. An act to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation;

S. 2470. An act for the relief of Erik Nylin;

S. 2473. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright;

S. 2506. An act to provide funds for cooperation with White Swan school district no. 83, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation;

S. 2614. An act to authorize the Secretary of the Interior to adjust irrigation charges on projects on Indian reservations, and for other purposes;

S. 2712. An act for the relief of Yvonne Hale;

S. 2806. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of Carlo de Luca;

S. 2872. An act for the relief of Marie Louise Belanger;

S. 2873. An act for the relief of Stella D. Wickersham;

S. 2893. An act to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

S. 2938. An act for the relief of Harry L. Reaves;

S. 3059. An act for the relief of Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell;

S. 3092. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of Jesse Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States;

S. 3156. An act for the relief of Mary Angela Moert;

S. 3192. An act for the relief of Arthur Hansel;

S. 3248. An act for the relief of J. B. Walker;

S. 3264. An act for the relief of Muriel Crichton;

S. 3280. An act to carry out the findings of the Court of Claims in the claim of Morse Dry Dock & Repair Co.;

S. 3322. An act to carry out the findings of the Court of Claims in the case of the Union Iron Works;

S. 3364. An act for the relief of G. T. Fleming;

S. 3397. An act to amend the laws relating to the length of tours of duty in the Tropics and certain foreign stations

in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes;

S. 3408. An act to provide for a preliminary examination of Cromline Creek, in the State of New York, with a view to the control of its floods;

S. 3439. An act relating to deposits in the United States of public moneys of the government of the Philippine Islands;

S. 3442. An act to dissolve the Ellen Wilson Memorial Homes;

S. 3457. An act to authorize the Secretary of War to sell or dispose of certain surplus real estate of the War Department;

S. 3524. An act to amend an act of Congress approved February 9, 1893, entitled "An act to establish a court of appeals for the District of Columbia, and for other purposes";

S. 3545. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.;

S.J.Res. 67. Joint resolution directing the Comptroller General to adjust the account between the United States and the State of Connecticut;

S.J.Res. 91. Joint resolution to supplement the authority of the Federal Trade Commission to obtain information relating to the salaries of officers and directors of certain corporations whose securities are listed on the New York stock exchanges;

S.J.Res. 100. Joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp;

S.J.Res. 106. Joint resolution authorizing loans to fruit growers for rehabilitation of orchards during the year 1934;

S.J.Res. 108. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador; and

S.J.Res. 109. Joint resolution authorizing a study by the Bureau of the Census with respect to the cotton stocks held in the United States.

The message also announced that the Senate agrees to the amendment of the House to the bill S. 2671, "An act repealing certain sections of the Revised Code of Laws of the United States relating to the Indians."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3170) An act to authorize the Postmaster General to award 1-year contracts for carrying air mail, to establish a commission to report a national aviation policy, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKellar, Mr. Black, Mr. Hayden, Mr. Schall, and Mr. Frazier to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 3235) entitled "An act to amend an act entitled 'An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes', approved February 8, 1932, to provide for participation in A Century of Progress in 1934, to authorize an appropriation therefor, and for other purposes."

Mr. MARTIN of Oregon. Mr. Speaker, I note the absence of a quorum.

The SPEAKER. Evidently there is not a quorum present.

Mr. SNELL. Does the gentleman insist on his point of no quorum?

Mr. MARTIN of Oregon. Yes.

Mr. SNELL. That will consume the greater part of the time we expected to save by meeting at 11 o'clock.

Mr. MARTIN of Oregon. We are going to have a speech here that I want the House to listen to.

Mr. SNELL. I wish the gentleman had told us that last night.

Mr. MARTIN of Oregon. Mr. Speaker, in view of the gentleman's statement, I will withdraw the point of order.

A VERMONT'S POLITICAL VIEWPOINT

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a speech I made yesterday before the School of Politics in this city.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PLUMLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered before the Political School of the League of Republican Women, May 10, 1934:

Madam Chairman, ladies, and gentlemen, a Vermont's political viewpoint, or in other words, the Vermont brand of Republicanism, is what I have been asked to talk about this afternoon. I may as well say at the outset that the brand is unadulterated, as is our maple sugar, for we take our Republicanism seriously in Vermont.

Undoubtedly we are old-fashioned, but we still believe in the Constitution of the United States, in the Declaration of Independence, in the Bill of Rights, in the Constitution of the State of Vermont, and accept them as our political rule and guide of faith. Incidentally, and it is not generally known, the founder of the Republican Party was an adopted son of Vermont, educated at and an instructor in a Vermont college years ago, and studied law in our State. He achieved prominence in his profession at Ripon, Wis.; took an active part in politics as a Whig, and believing that the end of that party was approaching he consulted Horace Greeley with respect to what ought to be done, and suggested the formation of a new party, and on being asked by Mr. Greeley what the new party should be called, he said, "Republican." Henry Wilson, in the Rise and Fall of Slave Power and in his account of the founding of the Republican Party, gives to Allan E. Bovay the distinction of having founded the Republican Party at Ripon, Wis., February 28, 1854.

From the days of the earliest settlers, Vermonters have asserted their independence. To their descendants have been transmitted many of their outstanding characteristics. Of the hardy pioneers of the early days it was well said that: "Encompassed by enemies they were never conquered, beset by evils they were always undaunted; forsaken by friends they forsook not themselves. The State whose independence they secured is the monument of their labors, and the children to whom they left it rise up and call them blessed." As you very well know, no such storm of opposition ever confronted any other State as was encountered by the men who achieved the independence of Vermont. The struggle, the vicissitudes, the opposition developed certain attributes and outstanding characteristics which have rendered the name of "Green Mountain boys" immortal. Sound common sense—a keen perception of right; promptness of action; calm, steady courage; tenacity of purpose; thrift and unflinching perseverance; and a strong conviction that God helps those who help themselves are some of the characteristics of the people whom I have the honor to represent.

I am pleased to be here this afternoon and talk to you about their viewpoint and the brand of Republicanism in politics for which they stand. I am doubly pleased to have this opportunity to talk to you, for as much as I am deeply and undeniably interested in every movement of this kind, which has for its purpose the stimulation of interest on the part of the electorate and its education with respect to everything which pertains to the Government and the rights and duties and obligations of its citizens.

The greatest danger that confronts the people of the United States today is not that of a foreign foe or armed invasion. It is a more subtle and insidious enemy, the seeming indifference of the average citizen to matters vitally affecting his welfare, the apathetic state of mind, the seeming numbness, or partial paralysis, of the body politic, a disinclination to assert ourselves to preserve and save and conserve the blood-bought liberties we now enjoy.

The greatest problem of the day and generation in which you and I live, the most important and far-reaching question that confronts us or has confronted this country since the Civil War, the question in comparison with which others seem almost trivial, is this: What shall we do with the indifferent citizen? or, to put it the other way, What will the indifferent citizen do to the Republic?

We must arouse ourselves to a realizing sense of the tremendous crisis that confronts us. America has settled some momentous problems, but as she settles this one, right or wrong, so shall the future of the American Republic be determined—so shall it stand or fall.

War, peace, debt, prosperity, anarchy, safety, the health and protection of our families, the education of our children; an incapable and wasteful or wise and efficient Government; yes, even the question of life and death depends upon your vote. This country must be saved by the ballot, not by bullets!

No such crisis has confronted this country since the day when Abraham Lincoln declared that this country could not permanently endure half slave and half free, and on that declaration the Republican Party was formed, and the Civil War was fought utterly and completely to extirpate slavery from the soil of this Republic. The war was won, that issue was determined, the Union was saved, the fundamental principles of the Republican

Party and its policies and leadership were vindicated. The national character of the Union was established, and an end was forever put to the doctrine of secession. Are you so sure that another great crisis is not at hand? It is time to wake up!

I am a Republican, since I believe the Republican Party was born because of a principle, and has lived and grown because of vital governmental principles and policies, for which it has stood and which it has maintained, too sound to be permanently overthrown, too deep and fundamental and underlying to be effaced.

A stupendous task confronts the Republican Party, not too great an undertaking for this party of ours—that sponsored and was responsible for the enactment of the legal tender and sound money laws; for the system of internal-revenue taxation by which a major part of the operating expenses of the Government has been met; not too great an undertaking for the party which forced the adoption of the thirteenth amendment, which abolished slavery; and the fourteenth amendment, which created citizenship of the United States, as distinguished from citizenship of the several States; and the fifteenth amendment, which established equality of suffrage.

It has made mistakes and is big enough to admit them and to correct them, but has maintained a record for achievement and accomplishment which will not permit it to lie down or to admit that its men or women have lost their vision, or that it, as a party, is unable to cope with a situation whose difficulties, compared with those which the Republican Party, as such, has met and surmounted, are at least no greater.

Many panaceas have been offered, many remedies suggested, and so many methods of resuscitation or revival of the body politic have been tried, it is a wonder the patient has survived the ordeal. We are threatened with a dose of inflation which means repudiation or substantial reduction of debts, and deflation, which means an enforced sale of assets at a price far below what they are really worth. Inflation is an insidious method of fooling the people, the workmen and wage earners and the farmers. The farmer is hardest hit of them all. History attests this fact, a fact so often proven as to be an axiom.

To lighten the burden of debt by depreciation of the currency is a benefit to a very small minority of the population at the expense of a large majority. By far the greater part of the population is interested as a creditor rather than as a debtor. Recovery can only be brought about by an increased volume of business done with the expectation of a reasonable profit, for anything that tends to obscure the hope of profit tends to retard recovery. Uncertainty as to the future character and value of money is the strongest single deterrent to business enterprise. It has always seemed to me that to stabilize the currency permanently by reducing the gold content of the dollar to approximately its recent value can but result in further and far-reaching disturbances and disaster, causing great harm and injustice to a majority of our people. It will eventually bring about a large increase in the general price level over even that of today, of the cost of living, of the wages of organized labor, measured in the dollars of depreciated purchasing power. While wages may double, so will prices also, and the buying power of the money with which bills are to be paid will be further depreciated.

It does not follow that it is a good thing to raise prices, for unless incomes rise at the same time as do prices, the standard of living must go down. You do not have to argue this hard or long to the people of the State of Justin S. Morrill, George F. Edmunds, or Calvin Coolidge. They know that to issue fiat money, to start the printing presses, or to put our currency on a silver standard, or to attempt to establish a bimetallic standard would but spell national disaster. They know these things from experience, and they know they have been found to be facts by the Monetary Commission, of which the late Hon. George F. Edmunds, Vermont's distinguished statesman, was the chairman. The facts so found exist today.

We do not have many multimillionaires or millionaires among us, and we look with disapproval on all attempts to arouse class antagonism by ranting and raving about the capitalistic system. Every home owner in Vermont and in this land is a capitalist, so are 60,000,000 holders of insurance policies and 20,000,000 of savings depositors, and all those hard-headed, thrifty investors who have purchased United States and State municipal bonds and securities. Every farmer and every wage earner in the land are capitalists. It follows, therefore, that all of us who constitute the backbone of this Republic must suffer by the reduction of the purchasing power of the currency and the resulting increase in the cost of living. No, my friends, Vermont Republicans are for a sound currency and a solid basis for a sure recovery which will be sound, solid, and secure only if it comes of itself.

In my campaign for nomination and election, over and over again, I made the statement that the American people had accepted the N.R.A. solely as a temporary expedient, which would not be permitted to be or become a permanent part of our governmental policy or our form of government.

The delirium of fear with which our people were obsessed as of a year or two ago has now passed, and, as someone has said, "The patient is convalescing and eager to go places and do things." The American people will not much longer stand for those things sponsored and advocated by those who are attempting to saddle upon this Republic a program and policies un-American in conception and unconstitutional in fact and in law. The hard-headed, keen-minded, patriotic people who love their country and believe in the American idea are fed up with the theorists. They want a logically worked out program based on the hard grounds

of practicability. They are ready to work. They give Franklin D. Roosevelt, our distinguished President, all the credit to which he is entitled, and that is a very great deal. They have not lost confidence in him, but they question his judgment in the selection of those with whom he has surrounded himself, who are attempting to put into effect a program of which I am sure he cannot approve, and which he must eventually be compelled to repudiate in full, as he already has in part, although he may be helpless in their hands.

Did you read the editorial in the Washington Herald, May 8, in which the statement was made that the country is fed up on Tugwell and all the other apostles of bedlam: "It (the country) does not want to hear much more from, or about, any of them—Jerome Frank, the General Counsel of the Agricultural Adjustment Administration; or David E. Lillenthal, of the Tennessee Valley Authority; or Nathan R. Margold, Solicitor of the Interior Department; or Thomas Corcoran, Counsel for the Reconstruction Finance Corporation; or Professor Landis, of the Federal Trade Commission; or Benjamin Cohen, Counsel of the Public Works Housing Authority; or Paul Freund, attorney of the Reconstruction Finance Corporation; or Charles Edward Wyzanski, Solicitor of the Labor Department; and there are others. The people are ready to rule the entire Frankfurter stable off the turf. They are heartily sick of the 'brain trust'; they perceive in its policies only folly and defect. The names of its members are vinegar to their eyes."

Vermont Republicans do not take kindly to or believe in regimentation or the proposed planned economy featured by the group last named. Regimentation! The very thought of it arouses in them the spirit of resistance and renews their determination to assert anew and maintain their independence. Whether you call it facism or socialism or communism, they know that the program which these men would have us follow can but spell the end of those liberties for which their forefathers fought and which they under the Constitution will seek to preserve. They see in it the end of individual thought and expression, the eventual abandonment of a democratic form of government, and to it and to those who sponsor it they are unalterably opposed. The surrender of the rights of a free people to a dictatorship and to a tyranny, such as the proposed regimentation and regulation and extended bureaucratic experimental restriction and supervision contemplates, is anathema to them. They sympathize and agree with the woman farmer who asks:

"What of our children and our grandchildren? Can farmers hope for the security some of us knew as children? Can any business dare to hope to grow and profit? Will there be any incentive to work hard and try to get ahead when personal income from hard work must be turned over in such large amounts to the Government in income taxes? What will it do to the souls of people that they may find no encouragement to do their best, it appearing that a premium is set upon inefficiency and waste and idleness? We have grown children, married, and bewildered by the problems of achieving any decent existence. They were taught the strange old creed of trying to do all they could and expecting to profit better by doing so—better than those who did not choose to make their utmost effort. When can we teach our baby, now only 5 years of age? What hope can we hold out to her, as she grows up, in a Nation that, having gulped its recovery pottage, must forego its heritage for taxpaying?"

She wonders about dictatorships which can be only because power has been bestowed or seized, and what may be the outcome of them. "Any kind of dictatorship is dynamite to democracy and to order and to progress." She goes on to say: "I look out across our land that we still hold by only such a narrow margin, and I know that if my husband cannot make it pay, nobody else can tell him how, and I know that the blood of generations of independent farm people rises within me to hate dictation, no matter how soft the velvet may be laid over its matted fist, or how beautiful the bribery it offers us for our inalienable rights, which it is trying to deceive us into giving up."

"I am forced to keep on believing that what is honesty for the individual is honesty for the group, and what is good for business ethics and is reasonable business management for the man is good for the Nation." She cannot understand, nor can any of us, how consumption can be increased by making prices still higher and taxing the poor on the food they eat, so that, afterward, the Government can make levies upon processors of foods to get money to pay some farmers to do less work, and also to pay a lot of Government employees we do not need, to see that the farmers specified do loaf as per agreement. The processing tax on hogs is being paid by those who produce the hogs.

An Australian visitor has recently said that "cutting production is only creating artificial shortage and artificial poverty." She cannot help wondering if those who so gayly destroy pigs ever sat up through a zero night in January, cramped into a farrowing shed trying to help save the babies, or thrilled later to their contented gruntings around the feed trough, or watched growing children tuck away juicy slices of ham—sure they could eat just all they wanted, for there would be plenty. She doubts if those who would advocate the farmer's working on a nonprofit basis would be willing to milk twice a day with no shelter from a northwest winter gale but a barbed-wire fence, so be they even knew from which side of the cow to begin the task!

Where will it all lead? Is a Government-dictated agriculture, with acreage allotments for those who would plant and only so many head of livestock for those who would raise them, coming swiftly upon us? As Government reaches out farther all the time to get into and control what has hitherto been private busi-

ness, will we come to nothing better than serfdom made the more poisonous by our modern knowledge of transportation and of communication? Are we heading into State-controlled and enforced socialism? Is democracy, as we have known and loved it, doomed? Are private initiative and private enterprise and personal thrift and personal desire for ownership of property to be thrown away as useless? Is the day passing when we can learn anything from history to help us with the present, and are we just naturally too smart to have to abide any longer by the old laws of supply and demand, and right and wrong? Do we not know that economic pills will not cure spiritual ills?

It seems to me that we need to guard our rights as private citizens as never before in the history of our Nation, that we need to examine to see if we have not tacitly abrogated our precious privileges of doing our own thinking, in yielding so much, no matter how imperative may have seemed to be the emergency. "It is all wrong that a business as basic as agriculture in a nation such as ours should have to exist upon Government subsidies, or deliberately cripple itself, like stepsisters cutting off pieces of their feet to try to make them fit Cinderella's slipper, to try to make itself fit the shoe somebody else says it ought to walk in, if it is to get along. It should stand upon its own strong feet, serving as only it can."

How absolutely right she is that "No other business is as completely dependent upon private initiative and private personal devotion and labor as is farming. Take out of American farming the incentive to prosper, to own, to have, to hold, to improve, to enjoy, to be certain of keeping, and the Government had as well have the farms, for you cannot hire anything to take the place of the love of home that has carried so many of us through scorching days of summer and the exposure of winter weather, through sacrifice and losses and shabbiness and deprivation and made us feel that none of these mattered if some day we could have a good farm home and a bit of time to rest in it."

Where do we go from here? Your answer may be far better than mine; but as sure as we live, or anybody lives, we shall go on to something, somewhere, from here, and now is the time to be having something to say about the direction to be taken. The daughter of debt is hate, a terrible thing wherever seen, and we need less of her, and more of the contentment that can be the offspring only of thrift and good management, and courage and faith.

This woman has done some thinking and has thought it through. Hear her again!

"I still believe in personal independence of thought and action, as long as one holds to law and order. I still believe in that individualism that some have lately held up to ridicule and scorn. God gives it to each of us and leaves no directions for later handing it over to scoffers. I believe that lower taxes, lower interest rates, and to have been let alone were all, and still are all, that the farm people need. I believe the same three suggestions would work for many another business now being crippled and maimed beyond recognition by Government interference and political dictatorship."

"This is your country and mine, whether we live in country or in town, are poor or well-to-do; and it is your concern and mine that we assume the responsibility we shall never have any alibi for having shirked, and do what we are able, be it little or much, to see that there shall be no more jeopardizing of the rights our Constitution set forth as ours to have and to cherish."

The people of Vermont are fed up with the N.R.A. and its application to and effect upon them as individuals and in the destruction of their business and the loss by them of their savings of a lifetime. In a recent article in the Detroit Free Press the writer takes occasion to say: "The editors of America have voices and type, but somewhere in New England a little merchant put a sign in his window, in which he sought to make use of the same constitutional provision of free speech, and the whole power of the Federal Government in the hands of General Johnson cracked down on him because he had the temerity to speak his mind about the N.R.A. A United States Senator, CARTER GLASS, can call the blue eagle a 'blue buzzard' and order it out of his shop without being molested."

The man who owns and operates the little business all over this land of ours is the "forgotten man" of this administration.

I have a letter from a neighbor of mine who lives in an adjoining town, who says:

"I operate a filling station and do not employ any help, as this is not a large village, and there are six stations of other brands besides the one I sell. My profit is so small that I cannot have a steady man. I have three children in school. My health will not let me do hard work. This business has not paid my expenses, and I am confined night and day. Can I pay a high-school boy 50 cents a day through his vacation? This would help him in his schools. Or a man a dollar a day that cannot earn any more? I was the second one to join the N.R.A. in this village and am heart and hand in all ways to bring us back to prosperity, but I also wish to make a good home for my family."

I forwarded this letter to the Petroleum Labor Policy Board on April 25, and asked for a ruling on the case, and that a letter be addressed both to me and to the writer of the letter.

On the 7th day of May I received another letter advising me that my neighbor had received a copy of the code directing him that he should pay 40 cents an hour for 8 hours a day. "That", he says in his letter to me, "is more than I receive in profit." And he asks, "Can I have a boy or man by giving him a cent a gallon on each gallon he sells? I would like to get this straight so I might live and let others."

On the same day that I referred this second letter to the Petroleum Labor Policy Board and asked that my constituent be exempted from the operation of section 3 of article 2 of the petroleum code, I received a reply to my first letter, from which I quote: "To pay a high-school boy 50 cents per day through his vacation period, or a grown man \$1 per day, because he cannot earn any more would be in violation of the law and would defeat the purposes of the National Recovery Act."

I ask you, in view of the foregoing, what are the purposes of the National Recovery Act, and what, in view of its provisions and the policy it pursues, is going to become of the individual citizen, the small business man, and of the country?

Just a few days ago the Associated Industries of Vermont sent out a questionnaire, the result of which disclosed the fact that a large majority, according to the Honorable E. Lewis Olney, the president of the association, probably 75 percent of the industries of Vermont are having great difficulty in complying with code requirements and remaining in business. "It appears to me that relief to these smaller industries must be quickly afforded if they are to continue in operation or adopt the other alternative of failing to comply and take their chances as to what may follow", he says.

In a letter recently received from Governor Wilson of Vermont, I am advised that "the theories on which the N.R.A. is founded are not working out in practice up here to the benefit of our communities. Part of this is probably due to the theories themselves and part to lack of enforcement of the N.R.A. * * * I have come to the unwilling conclusion that if present conditions continue, our small industries in Vermont must themselves disregard the N.R.A. and fight their own battles as best they may. If there is not a solution before long many Vermont manufacturers will either declare their independence of the N.R.A. or go out of business."

Things are going to be different from now on, whether we like it or not. Changes must come, but there need be no change in our form of government, and there need be no third party! This is the testing time for the Republican Party. Have we the brains to acknowledge our mistakes and the initiative and vision to put this country back on to its feet and to reestablish constitutional government? Or, shall we stand by as slackers and destructive critics and let it follow the path of least resistance along the road that Russia has traveled? There can be but one answer. The solution of our problem calls for the best that there is in us.

The Republican Party has been the party of action and progress and achievement, from the days of its founding, for more than half a century of our national life. The call and the need for its leadership are stronger today than ever before. The political party which has put into effect the principles and policies which saved national unity, freed a race, resumed specie payments, established the national credit, fixed the gold standard, restored prosperity, in short, which always, when it has been brought to a realizing sense of the responsibility resting upon it, has responded to the call and proven equal to the emergency, will once more respond, will continue to keep the faith, will provide the solution of our problems, and, true to its record, will lead this country out of the slough of despond into the sunshine of complete recovery and prosperity, contentment, and peace. The Republican Party is equal to the task.

Go tell the pessimist that we have a vast domain of three million square miles, this Nation of ours, literally bursting with latent treasures, still waiting the magic of capital and industry to be converted into the practical uses of mankind; that what natural resources we lack we have the brains to manufacture, synthetically; a country rich in soil and climate, in the unharmed energy of its mighty rivers, and in all the varied products of the field, the forest, the factory, and the farm. Tell him we have the man power and the brains, and that the Republican Party, renewing its allegiance to the principles, purposes, and declarations of its founders, with its face toward the light, reaffirming its adherence to fundamental Republican doctrines, will go forward, determined to perpetuate blessings already received and to make sure and secure the achievement of a greater America yet to be!

MOTHER'S DAY AND ITS FOUNDER

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

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. KEE. Mr. Speaker, over all the civilized world the second Sunday in May of each year is now known and observed as Mother's Day. This day was founded by Miss Anna M. Jarvis, a native of West Virginia, who is now a resident of the city of Philadelphia, Pa.

The idea of setting aside one day in each year in honor of the mothers of men was conceived by this splendid and devoted woman over a quarter of a century ago. She transmuted her idea and her dreams into action, and today there is an annual observance of Mother's Day around the world. The day was intended by the founder to be—and is—one of thanksgiving and is an expression of remembrance and

gratitude. It is observed not only in all the countries where English is spoken but also in all other civilized lands of diverse customs and languages. No founder of a great memorial day could have envisioned a more generous and wide-spread acceptance of an idea. The day is given official recognition by England and her colonies; and if it may be said that the sun does not set upon the English flag, then it is true that the day fixed for the honor of the mothers of the race is observed around the world. Our neighboring States in South America give general recognition to this day and to the sentiment inspired and cultivated by its observance. The Government of Brazil gives to this day its annual recognition through official proclamation. Our immediate southern neighbor, the United States of Mexico, recognizes the day by paying beautiful tribute to the mothers of that country. It is said that on this day in Mexico the thatched adobe huts as well as the most pretentious palaces are decorated with flowers in tender and loving remembrance of the mothers of the land, living or dead.

The observance of the day has spread among the races of Africa and Asia, as well as to the inhabitants of the islands of the seas. In our own country and in all its possessions the day is recognized not only by official proclamation and appeal but by an observance marked by the tendermost sentiments and unmarred by the slightest taint of commercialism. It is the one day of all the year upon which the entire world becomes of harmonious accord because of an appeal to the sentiment that lives in every human heart.

As the years pass the importance of Mother's Day becomes more apparent, and the day itself attains greater significance in human life. Perhaps Miss Anna M. Jarvis, the founder of the day, may have dreamed of the time when it would be universally observed, but we doubt that even she ever visualized the appeal that this day makes to human emotions. The world-wide slogan of the day is "Write home." This is an injunction as well as an appeal to the sons and daughters who have wandered far. No record is possible of the joy and gladness that have been brought into aching hearts because of response to this appeal. Year after year, on Mother's Day, letters, telegrams, and gifts come from lands near and from lands far distant to cheer and encourage lonely mothers whose sons and daughters are no longer beneath the family roof-tree.

On this day millions of letters are distributed in the United States and its possessions, but as well as throughout other lands. In addition to this, countless gifts are placed in the mails to be forwarded "back home" to the mothers who are thus remembered. The sons and daughters who write these letters and who send these gifts become children again in their love of the mothers who bore them, and the mothers who receive them are again young in their yearning for these evidences of remembrances from those they love.

The real purpose and thought of the founder of Mother's Day, together with the splendid constructive force of the ideal permeating this institution, are recognized by the Army and Navy of the United States. By official sanction the day is appropriately observed in all branches of the Nation's military and naval forces. This year there will also be an observance of the day in the Civilian Conservation Corps engaged in the various reforestation projects throughout the country, and the mothers at home will be advised that "all is well" with their sons. In the schools and colleges throughout the land there is to be a general observance of the day, and it is said that this year more than 100 colleges and universities are planning for pilgrimages which will be made this week to these institutions of learning by the mothers of the college students. These visitors will in many cases be the invited guests of the colleges, and all honor will be done to the mothers of those who are in training for future useful citizenship.

Mother's Day is the one great day of remembrance and of celebration which has never been, and may we hope never will be, commercialized. It is both an ideal crystallized and a dream come true. The idea is founded upon what is per-

haps the greatest factor in human happiness—sentiment. Sentiment expressing that intangible, indescribable emotion that grips our hearts, sways our minds, and brings a mist to our eyes. It steals into our hearts as God's sunlight steals across the land and draws us in tender sympathy closer to all the rest of mankind. More than any other force has sentiment been the actuating cause of all social life and brought to us in modern times the instrumentalities of home, religion, and government. The sentiment that causes us to forget for a brief space our present individual strivings and ambitions, our joys and sorrows, our hopes and aspirations, and to walk again in memory with the mother of our childhood, is the purest, sweetest and holiest motive that we could inspire in the hearts of men and women.

What a wonderful inspiration was that of Anna M. Jarvis when she founded Mother's Day! It is true that the mothers of men did not really require a special day upon which to do them honor. In the hearts of men, every day is Mother's Day. And yet it was an act of vision to select one day in each year upon which the peoples of all the earth might show honor to a living mother, or lay a wreath of flowers upon the altar builded in their hearts to the memory of one who is no more.

And now, what may be said in tribute to the one for whose honor this day was set apart? To whom, of human speech, has there been given the power to pay a fitting tribute to the mothers of men? To this there can be but one answer: To none. Words are inadequate, deeds are futile, song and story fail, painting is feeble, and monuments built of human hands are but vanities. Nothing can be said or done that can pay any part of the debt we owe to that most wonderful of all creations of God, the mother. And yet, as she, living or dead, would wish it, we can, day by day and year by year, render to her the only compensation within our power by giving back to her or to her memory just a little of the great wealth of love with which she endowed us.

The poet says that man's justice is "like God's when mercy seasons justice." That may be true, but it is only the leaven of mercy that gives to the justice of man even a semblance to the all-inclusive and pervading justice of the all-wise God. Man's mercy, even at its best, cannot hope to equal the tender and healing mercy of his Creator. There is nothing in which man can hope to equal or even emulate the Divine Intelligence which gave him being. But there is one thing in the world that comes nearer than all others to being the equal of the Divine, and that is the boundless, tender, and enfolding love of a mother for her child.

Going unafraid down into the valley of shadows to bring her child into being, she emerges with the wee mite of humanity resting upon a heart that from that moment is overflowing with a passionate devotion that is never exhausted. With tender eyes she watches the tiny bud burst into the bloom of early childhood. Through days and years of sunshine and storm, of joy and happiness, of hope and despair, of smiles and tears—bending over the cradle, watching with anxious care the first tottering steps, kissing away the pain of little hurts, sitting with tear-dimmed eyes through the long watches of nights of sickness, greeting with smiles of joy the first signs of returning health, listening to childish prattle and soothing childish sorrows with tender sympathy and understanding—always leading, always lifting up, always with her eyes toward the dawn, she brings the child safely through the helpless years into young manhood or womanhood. And the end is not yet. The same untiring, undying, unselfish love lives on, toils on, burns on, gives of its inexhaustible self until toil-worn hands are folded across a heart that can no longer respond.

The most beautiful sentences in the languages of men have been written and uttered about the love of a mother, and why not? It is a theme that appeals to us because we have been beneficiaries of that love. But there has never been a human being, nor ever will be one, who can understand or fathom or measure the depths and intensity of it. There is no place so high to which a child may climb

that a mother will not follow; there is no depth too low to which one may sink that the mother will not stoop with outstretched and saving arms; there are no spaces so vast, oceans so wide, or deserts so arid as to deter the mother's following footsteps; there are no prisons so forbidding, no dungeons so dark, no dens of vice and evil so vile that a mother will not enter them in search of a wayward and erring son or daughter.

She will stand with them in their glory in the high places of the world, and in equal glory, but a glory all her own, she will stand with them upon a scaffold. From dawn to dusk of life, the love of mother surrounds us, encompasses us, protects us, sharing all things, enduring all things, suffering all things; nor the winds of adversity, nor the tides of the sea, nor the coldness of the world, nor the fires of hell, will prevail against it. If it can be said that the sacrifice of the gentle Savior, in whom we believe, washed away the sins of those who look to Him in faith, what may not be said of the mothers of the world, of all faiths, creeds, and conditions in life, who with their tears have cleansed the souls of sons and daughters from the black stains of sin and brought them, white and clean, to the foot of God's great throne? In the words of the Recessional let us pray today.

Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!

And what a beautiful and wonderful thing it is for us to be able to remember. Memory garners and holds for us the brightest, sweetest flowers in the garden of life. It records and preserves for us old scenes, old days, and old friends. It carries us back to the days of childhood when mother's arms enfolded and mother's voice in lullaby soft and low lured our baby minds into the fairyland of baby dreams. It carries us back to the sun-kissed hills and blazing meadows of youth. It recalls to us the happiness of years long dead and brings to us from time to time the voices of those whom we loved in the distant past. Memory dwells with us always, and even in dreams we live again the drama and the tragedy, the sweetness and bitterness of other years; and it is only when death shall come to press with gentle fingers our tired eyelids down to eternal sleep, that memory will place her farewell kiss upon our pallid brow.

To many of us with whitened hair, the record of rapidly flowing years, there is left only the memory of a mother. But that memory is not a sad one, it is just a wonderful treasure to keep and hold forever. To those who are yet blessed with a living mother's love and presence, it need only be said that they now have the substance of that which some day may become a memory; therefore all the more should their treasure be guarded with loving care and tenderness.

RIVER AND HARBOR AND FLOOD CONTROL

The SPEAKER. Under the special order for today, the gentleman from Texas [Mr. MANSFIELD] is recognized for 40 minutes at this time.

Mr. MANSFIELD. Mr. Speaker, I will be forced today to do something that I have never done before in my life—that is, to decline to yield. My time is so limited that I cannot possibly yield, and I request Members not to ask me to do so until I have finished.

Mr. Speaker, the President has announced that he has under consideration plans for the comprehensive improvement of our waterway system for all national purposes, embracing navigation, flood control, power development, irrigation, and related subjects. Surveys for these purposes were made under Document No. 308, Sixty-ninth Congress, first session. Commissions have been appointed by the President to submit plans to a board consisting of four Cabinet officers, and we are informed by the press that this board has submitted a tentative report to the President.

The press report given out stated that a predicted result of the Cabinet study is that many river and harbor projects authorized or partly completed will probably be abandoned, though the new policy will not affect those projects being carried out under Public Works allotments. It is expected

that the President in due time will present the matter to Congress and ask for appropriate legislation.

I am informed that an effort is now on foot to deprive the Rivers and Harbors Committee of jurisdiction of this proposed river-and-harbor legislation and have it vested in the Committee on Flood Control. Under the rules of the House, when a public bill has been referred to a committee, a contest for jurisdiction by another committee must be decided without debate. Therefore, in the event of such a contest over this proposed legislation, whether initiated by the Committee on Rivers and Harbors or by any other committee claiming jurisdiction, the Members might be called upon to pass judgment without an opportunity of debate or investigation. I respectfully call the attention of the House to a few matters which might be deemed pertinent.

In our early history, river-and-harbor legislation was generally under the jurisdiction of the Committee on Commerce. This committee afterward became the Committee on Interstate and Foreign Commerce. It continued in control of river-and-harbor legislation until the creation of the Committee on Rivers and Harbors in 1883.

By reference to rule XI, pages 308 and 312, House Rules and Manual, it will be seen that all proposed legislation "relating to the improvement of rivers and harbors" shall be referred to the Committee on Rivers and Harbors. Under this rule the Committee on Rivers and Harbors has for the past 51 years exercised jurisdiction over bills and proposals for various types and classes of waterway improvements.

These improvements and proposed improvements included navigation; power; oil and acid pollution; damage to reclamation districts caused by seepage under levees on upper Mississippi; diversion of water from Lake Michigan at Chicago for navigation; diversion at Niagara Falls for power under international arrangement; diversion for like purpose at the Soo; maintenance of lake levels on the Great Lakes by installation of weirs, regulatory and compensatory works; the purchase of Cape Cod, Lake Drummond, Chesapeake, and Delaware, and many other canals; installations for water-power development at various places; beach erosion; sea-wall protection of harbor at Galveston against hurricanes; diversion of course and flow of the Brazos River at Freeport, Tex.; erection of hydraulic laboratory at Bureau of Standards; securing of commercial statistics; establishment of harbor lines and various other matters.

Before the creation of the Committee on Flood Control, all flood-control improvements were also under the jurisdiction of the Committee on Rivers and Harbors.

The impression has been created that the surveys embraced in Document No. 308, Sixty-ninth Congress, first session, were made under authority of the flood control bill. This is entirely erroneous. They were ordered in the River and Harbor Act of January 21, 1927. The letter of the Secretary of War transmitting his report under that document shows conclusively the authority under which he was acting. It is as follows:

WAR DEPARTMENT,
Washington, D.C., April 12, 1926.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

DEAR MR. SPEAKER: I am transmitting herewith a report dated April 7, 1926, submitted in accordance with section 3 of the River and Harbor Act approved March 3, 1925, which reads as follows:

"SEC. 3. The Secretary of War, through the Corps of Engineers of the United States Army and the Federal Power Commission are jointly hereby authorized and directed to prepare and submit to Congress an estimate of the cost of making such examinations, surveys, or other investigations as, in their opinion, may be required of those navigable streams of the United States, and their tributaries, whereon power development appears feasible and practicable, with a view to the formulation of general plans for the most effective improvement in combination with the most efficient development of the potential water power, the control of floods, and the needs of irrigation: *Provided*, That no consideration of the Colorado River and its problems shall be included in the consideration or estimate provided herein."

Sincerely yours,

DWIGHT F. DAVIS, Secretary of War,
Chairman Federal Power Commission.

The surveys ordered under Document No. 308 are nearly all completed, though some of the reports are not yet printed. These surveys have been carried out at a cost of many mil-

ions of dollars, and they constitute the base of the proposed comprehensive plans for waterway improvements.

The Committee on Flood Control was created February 3, 1916. The rule for it was presented by Mr. Garrett, then of the Committee on Rules, afterward for many years the very able Democratic leader of the House. The scope of the jurisdiction of the new committee was fully explained by Mr. Garrett in presenting the rule. He said:

The Committee on Rules has recognized the tremendous importance of this subject matter, and that committee has felt that there should be created a standing committee of the House which could give scrutiny and attention to that question (flood control), that committee having jurisdiction of that subject matter only.

The following colloquy took place between Mr. Garrett and Mr. Sparkman, Chairman of the Committee on Rivers and Harbors:

MR. SPARKMAN. Mr. Speaker, within certain limitations the Committee on Rivers and Harbors of the House has had charge of the improvement of the lower Mississippi River, appropriating large sums of money each year, and the language appropriating these amounts is always so guarded as to confine the improvement of the river to the building of levees, to protect against floods, of course, and for the purposes of navigation. What I want to ask is, What effect would this rule, if adopted, or this amendment to the rules and the appointment of this committee under it have on the jurisdiction of the Committee on Rivers and Harbors over that class of work?

MR. GARRETT. I should say, Mr. Speaker, that bills relating to flood control would be referred to this new committee if the rule be adopted. I do not think that those bills which refer to the question of the navigation of the Mississippi would be referred to this new committee, but that they would be referred, as they have always been since the Committee on Rivers and Harbors was created, to the Committee on Rivers and Harbors.

Mr. Sherley, of Kentucky, who during the World War was Chairman of the Committee on Appropriations, asked this question.

MR. SHERLEY. The gentleman has stated what the rule proposed to do. Now, will the gentleman state why it is proposed to do that? What is the reason for taking part of the jurisdiction away from the Committee on Rivers and Harbors and creating a special committee?

MR. GARRETT. Because of the realization of the fact on the part of the Committee on Rules that there are aspects of the question of flood control which are not related to either navigation or commerce.

Mr. Sterling, of Illinois, propounded another inquiry, which Mr. Garrett answered as follows:

MR. STERLING. This rule would take away from the Committee on Rivers and Harbors the jurisdiction it has exercised in the past on the question of levees?

MR. GARRETT. It would not take away jurisdiction of any question affecting navigation or commerce.

Mr. Wilson, now the able Chairman of the Committee on Flood Control, in his speech favoring the new committee, said:

We feel that if given a committee of this kind, that could concentrate its collective thought and combined energies upon the problem of flood protection, this problem could be worked out and a final solution reached.

Our eminent Speaker, Champ Clark, the author of the resolution, expressed similar views. He said:

I introduced this resolution for the purpose of appointing a committee whose sole business it shall be to investigate from the best sources of information attainable to see if it is possible to prevent this destruction of property and life by curtailing the overflows of the rivers.

These were the circumstances under which the Committee on Flood Control was created. It is very evident that the purpose was to have a committee that was not to be encumbered with other problems of river-and-harbor improvements. Certainly, it was never the intention to have two committees on rivers and harbors exercising equal or concurrent jurisdiction over the same subject matter. Neither could such a course of procedure be successfully carried out. We might just as consistently contend for two committees on ways and means; two on appropriations, on rules, and on the judiciary.

The gentleman from Louisiana [Mr. Wilson], Chairman of the Committee on Flood Control, now claims jurisdiction over many waterways for all purposes, and says:

If the major portion of the project is improvement on rivers and harbors, it goes to the Committee on Rivers and Harbors.

If the main portion is flood control, it goes to the Committee on Flood Control.

In another connection he made the statement that the major features involved in all those questions relate to flood control. So there we are.

If it were practical to carry on under such a course of procedure, it is plain to be seen that we would soon be confronted with innumerable controversies and contentions as to jurisdiction. Furthermore, with some of the waterways under the one committee and some under the other, and each acting from its respective viewpoint, how would it be possible to secure the coordination the President is seeking. Instead of uniformity of treatment of the various sections and interests to be considered, it is plain to be seen that our waterway map in a few years would become a veritable crazy quilt.

Pursuant to the thought that flood control is the major question in every case, there is now under consideration before the Committee on Flood Control a bill to create a board to take over, under the jurisdiction of the Committee on Flood Control, the Mississippi River, including all the navigation works now being installed above St. Louis, including 27 locks and dams under construction, involving a cost of \$124,000,000. This project was adopted by Congress in the river and harbor bill of 1930, and the expenditures were authorized by the Public Works Administration.

A similar measure is before the Committee on Flood Control to take over in like manner, under the jurisdiction of that committee, all the navigation works on the Missouri River, on which approximately \$137,000,000 has been expended, including the allotments under the Public Works Administration. The approximate 400-mile section of this river below Kansas City was authorized by Congress in the river and harbor bill of 1910. The 400-mile section between Kansas City and Sioux City, in the river and harbor bill of 1927. The approximate 1,200-mile section above Sioux City up to and including the Fort Peck Dam was authorized by the Public Works Administration on report by the Chief of Engineers on a survey authorized in the river and harbor bill of 1927.

If the whole program of river-and-harbor improvement is now to be transferred to the Committee on Flood Control, as is being contended for, then, in fact, if not in name, that committee would become the Committee on Rivers and Harbors. Furthermore, it would defeat the purpose for which the Committee on Flood Control was created—that of concentration on flood control and flood control only.

It is not my purpose, in this connection, to attempt a defense of expenditures for river-and-harbor improvements for navigation. If any are found to be unmeritorious, they should be abandoned. I will simply say that the approximate three quarters of a billion dollars expended upon our ocean and gulf ports and harbors, through a period of 110 years, has created them into gateways for the systematic passage of our foreign trade, of a normal value of more than \$9,000,000,000 annually, to say nothing of our enormous coastwise trade.

General Markham, Chief of Engineers, in a speech delivered before the National Rivers and Harbors Congress on April 30, called attention to the fact that through our ports and over our inland waters in 1929, 880,000,000 tons of freights were carried, and that the maintenance cost of these waterways was slightly less than 3½ cents per ton of freight moved.

In the same year 1,339,091,007 tons of freight were hauled over class I of our railroads, the maintenance cost of which, as approved by the Interstate Commerce Commissioners, was \$2,058,267,113. Of this maintenance cost, \$885,364,867, was for maintenance of way and structures, and \$1,202,912,246, for rolling stock and other equipment. This amounted to \$1.53 per ton cost.

Of course, 1929 was one of the peak years in our movement of commerce, both by rail and by water. In 1932 the maintenance of all our ports and inland waters was \$23,791,815.30. The water-borne tonnage for that year was 445,648,000, representing a cost of 5.3 cents per ton. The railway maintenance for that year for way and structures and

for equipment was \$970,119,814. The freight hauled by rail were 646,222,818 tons, representing a maintenance cost of \$1.50 per ton. To any one who has had experience, or who has made a study of traffic problems, these figures should be of interest.

Flood control, of course, is one of the major considerations on some of the rivers to be dealt with. Navigation and power development are also major considerations, especially is this the case as to power. Then there are other problems to be taken into account. This is to include, as we are advised, many of our harbors, which are to be considered for abandonment.

Many of our most important rivers, such as the Hudson, the Delaware, and many others, while involving navigation to a marked degree, and power to a certain extent, the flood-control problem there is either nonexistent, or, negligible in comparison.

The Great Lakes and their connecting channels and contiguous rivers present no problem of flood control. On the other hand, they possess enormous interests, both present and potential in power and in navigation. Instead of flood, low lake levels constitute the major problem to be dealt with in this great system.

The Great Lakes and their connecting channels constitute the greatest system of inland transportation in all the world. More than 160,000,000 tons of freight have been handled there in a year, at a cost of about 1 mill per ton-mile. Ships engaged in this traffic carry heavier cargoes on a draft of 19 feet than is possible to be carried on ocean ships on a draft of 30 feet. To conceive these things as a flood-control problem would require a wide flight of the imagination.

The Committee on Flood Control has functioned quite extensively in recent years, in some of our most important legislation. Especially has this been the case since the great flood in the Mississippi which brought about the Jadwin plan. On the other hand, the Committee on Rivers and Harbors has not been permitted to function except to authorize surveys and studies by the Corps of Engineers and conduct hearings and investigations. These duties, however, the committee has not failed to perform. As a result, a vast fund of pertinent data is available for immediate consideration.

I am advised that the data accumulated by the engineers of the War Department in response to surveys and investigations initiated by the Committee on Rivers and Harbors, in surveys carried in river and harbor bills; and in resolutions of the Committee on Rivers and Harbors, would cost approximately \$12,000,000 to reproduce. The reports by the Chief of Engineers embracing this data have already been referred to the Committee on Rivers and Harbors, and upon the major portion of them hearings have been conducted, and further studies made.

The flood control work that has been carried on by the Committee on Flood Control, will, in any event, continue as heretofore under that committee. No one is seeking to deprive that committee of its jurisdiction. So far as we are advised, that work is not to be subjected to molestation under the program contemplated for other river-and-harbor improvement. As evidence of this, an unusually large appropriation for this work has been made for the coming year. No appropriation whatever, except for actual maintenance has been made for river and harbor work, except insofar as it is being carried out under the Public Works Administration.

Since the organization of the Board of Engineers in 1902, and up to May 2 of this year, 3,864 surveys and resolutions for consideration of waterway projects were submitted to the Corps of Engineers. They have submitted reports upon 3,638 of these surveys, of which 1,314 were favorable, 2,293 rejected, and 31 without recommendation, simply reporting facts and conditions.

From this it will be seen that about one out of every three submitted to the engineers has been favorable, and that about two thirds have been rejected as unmeritorious. From this it will be seen that the Corps of Engineers has been one of our greatest bulwarks in protecting the taxpayers of the

United States. Furthermore, the pork-barrel practices that formerly prevailed have been completely eliminated.

To those who are now seeking to destroy the Committee on Rivers and Harbors by taking from it practically every element of river-and-harbor improvement, under its jurisdiction, I desire to say, in the language of Holy Writ:

Thou shalt not covet thy neighbor's wife, nor his manservant, nor his maidservant, nor his ox, nor his ass, nor anything that is thy neighbor's.

That, of course, includes his jurisdiction, also.

Mr. Speaker, we have been told that in the building of King Solomon's temple, the timbers were cut, hewn, and prepared in the forests, and the stones cut, squared, and numbered in the quarry. When brought together and erected into that grand edifice, they fitted together with such exact nicety that the structure, when completed, resembled more the handiwork of the Supreme Architect than that of human hands. We should have this picture before us in the building of our waterway system. Each project should constitute a unit in the whole, and capable of being fitted into its place to round out the system. All works for navigation and commerce should be under the same committee of the House, and the work carried out under one agency, the Chief and Corps of Engineers of the Army. [Applause.]

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. MARTIN of Oregon. Does the gentleman not think if we are going to abolish anything, we had better abolish the Committee on Flood Control?

Mr. MANSFIELD. It is a very important committee. I would not want to see it abolished nor one iota of its jurisdiction taken away from it.

Mr. MARTIN of Oregon. Now, does the gentleman not think this whole scheme is to kill off inland water navigation for the benefit of the railroads?

Mr. MANSFIELD. I think that some people behind the scenes may be trying to scatter and divert and make a crazy quilt of the whole proposition.

Mr. BUCHANAN. Will my colleague yield?

Mr. MANSFIELD. I yield.

Mr. BUCHANAN. Does the gentleman not believe that, if they would establish this new agency in which they contemplate the employment of civilian engineers, it would not only cost the Government a great deal more in administration expenses, salaries, and so forth, but the Army engineers would not get an essential training that would be useful to them in case of war?

Mr. MANSFIELD. I think the gentleman is entirely correct.

If I may be permitted, I will call attention to the actual service of some members of the Board of Engineers in actual river-and-harbor work.

Colonel Barden, the senior member, has been engaged on river-and-harbor work for 24 years and 4 months.

Colonel Hoffman, 22 years and 7 months.

Colonel Brown, 24 years and 6 months.

Colonel Tyler, 18 years.

Major Fox, 11 years and 10 months.

The only two members of the Board having had comparatively short terms of service are Colonel Woodruff, 6 years and 7 months, and Colonel Lee, 7 years.

Mr. DONDERO. Will the distinguished gentleman yield to me for a question?

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

Mr. DONDERO. The chairman said he was unwilling that jurisdiction should be taken away from the Flood Control Committee or that committee abolished. The Chairman of the Committee on Rivers and Harbors is not willing either that jurisdiction should be taken away from the Committee on Rivers and Harbors?

Mr. MANSFIELD. It will never be done with my consent nor with my vote.

Mr. DIES. Will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. DIES. It is inconceivable that any attempt would be made to take this jurisdiction away from the Rivers and

Harbors Committee. If the attempt is made, it is going to prove unsuccessful, but will the gentleman answer one question? How many bills has the Flood Control Committee favorably reported that have been enacted into law since the date of its creation? Does the gentleman have that information?

Mr. MANSFIELD. No; I have not that information.

Mr. DIES. It does not exceed over three or four major bills.

Mr. MANSFIELD. There have been quite a number of survey bills, but only three or four major bills, perhaps.

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

Mr. MANSFIELD. I yield.

Mr. MOTT. The gentleman from Texas has suggested that it would be inconceivable to take from the Rivers and Harbors Committee jurisdiction over this subject. Is it not a fact that under legislation passed in the special session of the Seventy-third Congress the jurisdiction of the Rivers and Harbors Committee over some of these matters has already been taken from it and that the money actually to be expended on river-and-harbor improvements is no longer under the jurisdiction of that committee, nor under the jurisdiction of the Board of Army Engineers, but that it is now entirely under the discretionary jurisdiction of the Administrator of Public Works?

Mr. DIES. That is true of nearly everything.

Mr. MANSFIELD. Of course, no river-and-harbor work has been carried on the past year except through that agency.

Mr. MOTT. That is my understanding. Now, is it not also correct that many of the river-and-harbor projects which were included in river-and-harbor bills, projects approved by the Board of Army Engineers, have been turned down by the Administrator of Public Works?

Mr. MANSFIELD. That is true with respect to many of them.

Mr. MOTT. There are four or five river-and-harbor projects in my own State, which have been approved by the committee and the Board of Army Engineers, but which, so far, the Public Works Administration has not allowed.

Mr. MANSFIELD. Yes; the gentleman is correct.

Mr. COLDEN. Our esteemed chairman has mentioned the work of the Board of Army Engineers in connection with the Rivers and Harbors Committee. Is it not a fact that the Board of Army Engineers has proved itself efficient, has practiced economy, and has produced results of the very highest order and has kept scandal out of this work?

Mr. MANSFIELD. The gentleman is entirely correct.

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

Mr. MANSFIELD. I yield.

Mr. PARSONS. Is it not a fact that several of the engineers on the Board and in the various divisional offices saw service during the World War and found their previous river-and-harbor experience of great value in their war service? If this be so, will not the younger members of the Board and in the divisional offices find their experience of great benefit to them should this country engage in another war?

Mr. MANSFIELD. There is no question as to that.

Mr. Speaker, in this connection I ask unanimous consent to insert in my speech a brief statement of the course of training of the engineers in the Army Corps of Engineers.

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

There was no objection.

The matter referred to follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, May 11, 1934.

Hon. JOSEPH J. MANSFIELD,

Chairman Committee on Rivers and Harbors,

House of Representatives, Washington, D.C.

MY DEAR JUDGE MANSFIELD: I am in receipt of your inquiry as to the special training received by officers in the Corps of Engineers to qualify them for their civil duties in the Government service.

The officers of the Corps of Engineers are all graduates of the United States Military Academy, or of recognized civil technical institutions of established standing. The graduates of the Military Academy are, in addition, provided with 1 year of post-graduate training at recognized civil institutions, such as the

Massachusetts Institute of Technology, Cornell University, University of California, and Rensselaer Polytechnic Institute, where they obtain a course of studies agreed upon by the institution as most essential to their future work. In addition, all officers are required to complete a year's course at the Engineer School, Fort Humphreys, Va., where particular attention is given to a course of study specializing in hydraulics, navigation structures, and general river and harbor engineering. Moreover, selected officers receive, under special conditions, additional opportunity for research work, and in this connection four of the junior officers of the Corps of Engineers have been selected for study in hydraulic research in Europe, under traveling scholarships sponsored by the leading engineering organizations.

This course of study is augmented by well-planned and progressive practical training. Young officers, on completing their technical courses, are assigned as assistants to district engineers, where they are placed in the field with definite responsibilities to obtain field experience. As their experience broadens, they are assigned to positions of greater responsibility, and after 12 or 15 years of service are placed in charge of the smaller districts. When they have thus had the opportunity to fully demonstrate their ability to supervise the projects in a small district, they become eligible for consideration as district engineers in larger districts, and for the other activities of the Department. Many young officers receive valuable experience as assistants in the hydraulic experimental station at Vicksburg, and in special studies and investigations of an engineering nature, of which there are always a large number before the Department.

I believe it accurate to say that there is probably no organization in existence in which the members are required to successfully pass a more rigid course of instruction or have more opportunity to obtain a diversified training in the various phases of engineering dealing with the development of our rivers and harbors, and I believe that this course of training and practical experience combined is a requisite to preparation for the supervision of the many and complicated engineering problems which attend the military operations in war. The greatest asset of the military engineer to his country lies in a broad background of large-scale operations enabling him to accept immediate and great responsibilities.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, May 11, 1934.

HON. JOSEPH J. MANSFIELD,
Chairman Committee on Rivers and Harbors,
House of Representatives, Washington, D.C.

MY DEAR JUDGE MANSFIELD: In recent months it has come to my attention that many of the opponents of Federal development of our waterways are using the word "creek" to imply that the Federal Government is spending large sums of money annually for the maintenance of a large number of insignificant waterways bearing practically no commerce. This is, of course, entirely misleading.

The word "creek" is of colonial origin, and was applied haphazardly to many streams which are rivers in fact. In general, the creeks developed and maintained by the Federal Government have been tidal waterways bearing, during the period of their improvement, a considerable commerce.

I find now that we have on an active maintenance status some 52 projects listed as creeks. I further find that prior to the depression these creeks handled a maximum commerce of 12,386,657 tons, and even in 1932 a tonnage of 6,952,772. This tonnage has been handled at an average annual cost for maintenance since their adoption as projects of approximately \$61,000.

It is manifest from these figures that these so-called "creeks" are important arteries of commerce which have been improved and maintained at a cost which is probably lower than the maintenance cost for almost any other type of waterway under development.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

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

Mr. MANSFIELD. I yield.

Mr. DIES. There has been some criticism of river-and-harbor projects that have been approved by the P.W.A. Is it not a fact that our committee advocated some projects that have not been approved by the P.W.A.?

Mr. MANSFIELD. We failed to approve some that they have approved. We took no action either for or against, except that we declined to approve them after holding hearings on some of them. They have failed to approve quite a number that were approved by our committee and by the Chief of Engineers.

Mr. MOTT. Mr. Speaker, will the gentleman yield further?

Mr. MANSFIELD. I yield.

Mr. MOTT. That did not prevent the project that the P.W.A. recommended from getting the money, did it?

Mr. MANSFIELD. Oh, no, no; we have no voice over that.

Mr. DONDERO. Mr. Speaker, will the gentleman yield again?

Mr. MANSFIELD. I yield.

Mr. DONDERO. Can the Chairman of the Committee on Rivers and Harbors advise the House how many times the Committee on Rivers and Harbors has overridden a report from the Board of Army Engineers?

Mr. MANSFIELD. None within my recollection.

Mr. DONDERO. I thought I recalled a statement that they had done so in only four cases.

Mr. MANSFIELD. In our entire history?

Mr. DONDERO. Yes.

Mr. MANSFIELD. The only thing that came near it of which I recall since I have been a member of the committee was when the Missouri River above Kansas City was put into the bill. It was put into the river and harbor bill on the floor of the House over the protest of the committee, but it had an Army Engineers' report 20 years old, and they based it on that. That comes the nearest to it in my experience.

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

Mr. MANSFIELD. I yield.

Mr. JENKINS of Ohio. I am sorry I was not present to hear all of the gentleman's speech, but I understand he spoke about a matter we have had up here at different times under the Consent Calendar, of bills that were reported by the Flood Relief Committee. Heretofore, up until this year, those of us who have had the duty of objecting to certain bills have been objecting to the Flood Relief Committee coming forward with these bills. Heretofore they have been brought up by the Committee on Rivers and Harbors. As I understand it, that was to some extent the burden of the gentleman's speech.

Mr. MANSFIELD. They have jurisdiction of surveys for that purpose the same as the Committee on Rivers and Harbors has for other purposes.

Mr. JENKINS of Ohio. Does not the gentleman think that eventually this is going to result in a good deal of discord over the question of jurisdiction?

Mr. MANSFIELD. During the 17 years that committee has been in operation—I have served on both committees; I served on that committee 4 years and on the Committee on Rivers and Harbors for the rest of the time I have been in Congress—I have never known of any friction until the present time.

Mr. JENKINS of Ohio. I got the impression, although I may be wrong, that the Flood Relief Committee came into prominence only since the Mississippi Valley flood. Is that right?

Mr. MANSFIELD. Yes; since the last flood, perhaps, the committee has been more prominent than it was when I served on it.

Mr. JENKINS of Ohio. Thus the Flood Relief Committee has no jurisdiction over matters other than Mississippi River matters.

Mr. MANSFIELD. Not with regard to navigation improvements. [Applause.]

[Here the gavel fell.]

THE ROADS BILL

Mr. DRIVER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 365.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 8731, a bill to increase employment by authorizing an appropriation to provide emergency construction of public highways and related projects, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Roads, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DRIVER. Mr. Speaker, the purpose of this resolution is to make in order the consideration of H.R. 8781, known to this body as the "roads bill." The rule is an open rule, and provides for 2 hours' general debate, to be in control of the Chairman of the Roads Committee and the ranking minority member thereof. The bill is subject to amendment.

This bill seeks to authorize an appropriation of \$400,000,000, similar to the amount carried under section 204 of the National Recovery Act, but in addition provision is made for an authorization of \$50,000,000 for roads and highways in the parks and in the forests and an emergency authorization of \$10,000,000 for emergency work in connection with the restoration of roads which are damaged or destroyed by unusual and unnatural causes, such as earthquakes, floods, and so forth. While I am on this subject, may I say that I believe this is one of the most valuable features of the bill, and is a provision made for a character of work that we are met with frequently in this country, due to the number of these extraordinary occurrences, that we find in many instances our systems of highways are broken and traffic interrupted because of the disconnection of a very small segment.

It is unnecessary to offer argument on the value of the work received under the operation of our road program. That there is a dire necessity for it no one familiar with the conditions will dispute for a minute. The strongest possible argument on behalf of this bill was presented by the Director of Public Roads when he said that with the exercise of the most energetic action on the part of his organization and the various State organizations, and with the liberal allocation of funds in the past year, he is no more than able to keep pace with the increase in motor traffic. So that leaves us faced with a situation that is delicate, and one which is of grave importance, that is to avoid the interruptions to our road-construction program. We are conversant with the conditions in the various States. We know that because of the economic distress those States are no longer able to comply with the requirements of the original road law carrying the contributing feature and under which we operated from the date of the passage of that act in 1921 up to the passage of the Industrial Recovery Act of the past year.

It is useless to take up time to argue the material value to the Nation of the expenditure of these public funds. It is of lasting importance and one very necessary to the Nation as a whole. It is equally useless for me to present an argument to this House on the virtue of the expenditure of road funds in relieving the unemployment condition of the Nation, for no one can conceive of a better system of spreading this relief than is offered by the road program that we have consistently followed for the past 2 years. It reaches into every State and every community of the different States.

Some question was addressed to me on the floor a few days ago in regard to the formula under which this money would be allocated. You are aware of the fact that they used under the old contributing system, one third based on population, one third on mileage, and one third on area, but when we added section 204 within the past year under the Recovery Act there was a change made in the formula which was advantageous to the more populous States, and instead of the old one-third system we have been employing ten twenty-fourths on population, seven twenty-fourths on area, and seven twenty-fourths on mileage. This gives to States, such as New York, Pennsylvania, Massachusetts, and the more populous States, an advantage which if you will consider seriously the different elements in the Road Act, they were entitled to. The same formula is carried in the act now proposed to this House.

One feature that I rather regret to express to the House a very serious doubt on is the amount of money which we may possibly secure for this purpose. I think that he who expects, under this authorization, to receive \$400,000,000, is just kidding himself. From all the information that we have now, the amount of money we may hope to apply to

the activities of our Public Works organization will be very greatly reduced, possibly within a limit of \$1,500,000,000. If this is true, it can hardly be expected that we will receive \$460,000,000 of that amount. No doubt, we will be required to do what we are frequently faced with the necessity of doing—securing a fair allocation.

On the basis of the apportionment of the money available to the Public Works activity of the past year, the \$400,000,000 road fund amounted to about 8 percent of the whole. If we receive this same proportion out of the funds this year, and we should do that as a minimum, there would be applied about \$200,000,000 of the money for road purposes. I at least hope that we shall be able to secure this advantage for the continuance of this most important governmental operation.

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

Mr. DRIVER. I yield to the gentleman from New York.

Mr. SNELL. I notice in reading over the bill there is allowed \$50,000,000 for public lands and Indian reservations. Does the gentleman think that amount is needed for public lands and Indian reservations as compared with \$400,000,000 for the balance of the country? It seems to me proportionately large when we consider the amount we have spent in those lands during the last few years on roads and trails.

Mr. DRIVER. The gentleman from New York is addressing a question with very considerable meat in it, because I am personally aware that out of the many activities employed during the past year, much of it was directed to the character of work in these Federal areas mentioned by the gentleman, and, therefore, I have no doubt a very considerable amount of the demands have been met, but, of course, I am not peculiarly informed about that. The members of the Roads Committee could possibly give the gentleman more accurate information on that than I am prepared to offer.

Mr. Speaker, I yield the gentleman from Massachusetts [Mr. MARTIN] 30 minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, it is not my purpose to oppose this rule which brings the legislation on the floor. I agree it is a subject to which the House should give careful consideration. I am deeply interested in the legislation and the form in which this measure comes before us. The bill comes under the cloak of unemployment relief and yet, as framed, it cannot be classified as anything but "pork barrel." Furthermore, it is a "pork barrel" of the very worst type, because it means if we should allocate the \$400,000,000 under this road bill the F.E.R.A., the P.W.A., and other administrations which distribute relief to every city and town in this country will be deprived of money that will be sorely needed.

I do not say this in any partisan spirit because I believe I am in harmony with the administration in this matter.

The other day there was great concern in the House when the Rules Committee reported a bill which would investigate the oil code. Some of the membership felt the proposal was out of step with the Democratic administration. There may have been some question about it, but I do not believe there is any question about this measure. I do not believe the administration wants this House today to authorize \$400,000,000 for public roads.

If there were any justification for such a large appropriation it would be as a means of giving relief to the unemployed people of this country. When you bring in this legislation in a way that the great industrial States like New Jersey, Massachusetts, New York, Pennsylvania, and Illinois only secure a small part of the money, it is quite evident the bill is not here to relieve unemployment.

Mr. BEAM. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. BEAM. Has the gentleman any information as to just what is the amount of money allotted to the State of Illinois?

Mr. MARTIN of Massachusetts. Illinois received out of the last appropriation of \$325,000,000, \$17,000,000.

Mr. BEAM. What was the proportionate amount of taxes paid? Has the gentleman that information?

Mr. MARTIN of Massachusetts. I have not those figures available, but I know Illinois is one of the great tax-contributing States of the Union.

Mr. BEAM. They paid more taxes than the amount of money they received?

Mr. MARTIN of Massachusetts. An infinitely larger amount, and they do so every year.

Mr. BEAM. And the same thing is true of New York, Pennsylvania, Massachusetts, and New Jersey?

Mr. MARTIN of Massachusetts. Yes.

We, who are from the great industrial sections that pay the bills of the Nation, do not object in good times to having these roads built with these allocation ratios put into effect. We are then willing, because we all know, if we are patriotic citizens, those who have the money must pay to develop the rest of the country.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. VINSON of Kentucky. I heard the gentleman from Massachusetts characterize this measure as a "pork-barrel bill."

Mr. MARTIN of Massachusetts. Under present conditions, when we are being heavily taxed for relief purposes, if you bring in a bill far in excess of what you would ordinarily appropriate, then I say it is a "pork barrel."

Mr. VINSON of Kentucky. I have heard that term used quite frequently in partisan debate—

Mr. MARTIN of Massachusetts. This is not partisan debate, because I think I stand with the administration at the present time.

Mr. VINSON of Kentucky. I almost thought it was. In the past session, in the N.I.R.A. Act, that carried \$400,000,000 for public roads, I do not recall hearing anyone characterize that appropriation as a "pork-barrel" measure.

Mr. MARTIN of Massachusetts. May I answer that question by asking the gentleman a question? Does not the gentleman think if we are only going to have a limited amount of money for relief purposes, and the President and his advisers have so stated, that it is wrong for us to allocate \$400,000,000 to sections of the country where the unemployment is not so great?

Mr. VINSON of Kentucky. The gentleman seeks to sectionalize the country. This is merely a part of the relief for the unemployed in all the States.

Mr. MARTIN of Massachusetts. No; I am not sectionalizing the country at all. I am making the broad appeal in this period of dire distress, in this period of financial stringency, that the resources of the country be devoted to relieving the unemployed of the country. This should be our first purpose.

Mr. VINSON of Kentucky. This is an authorization for the relief of unemployed, and I submit to the gentleman from Massachusetts the testimony is plain, unequivocal, and cannot be contradicted that moneys expended for the building of roads go to the laboring men in larger proportion than in any other kind of public work. For instance, the testimony before our committee last session was that 85 cents of every dollar of money used in building roads went to the laboring men of this country. If this is not unemployment relief, I cannot understand what could be.

Mr. MARTIN of Massachusetts. The gentleman fails to take into consideration the fact these roads are going to be built in a good many sections of the country where the unemployment is not great. We have taken care of many of the States through processing taxes, and we have taken care of them liberally through direct relief, because in the same States the Federal Government has paid practically every dollar of the relief that has been distributed.

Mr. VINSON of Kentucky. If that is the position of the gentleman, let me say there will never be a time when the more populous States will not be here getting their share in public benefits.

Mr. FORD. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from California.

Mr. FORD. Does the gentleman prefer the dole to employment?

Mr. MARTIN of Massachusetts. That is not the question here. I would prefer every city and town in this great country of ours should have an allocation so that through their own projects they may take care of the unemployed. I am interested in seeing that the people who really need relief get it, and this is my purpose in opposing this large allocation today.

Mr. FORD. This measure provides for that.

Mr. MARTIN of Massachusetts. The gentleman is mistaken.

Mr. RANDOLPH. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RANDOLPH. The gentleman has said that if we pass this authorization, we will have pork-barrel legislation.

Mr. MARTIN of Massachusetts. No; I do not believe you are going to get it. I do not believe the administration will give it to you even if we should authorize it.

Mr. RANDOLPH. Will the gentleman agree that under the agency he has mentioned we have had a nonpartisan distribution of funds?

Mr. MARTIN of Massachusetts. As far as I know, we have; I am not finding fault with the distribution. In my section I have not received any complaint.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. ANDREWS of New York. Can the gentleman give us any information that he has received from the Federal administration of relief?

Mr. MARTIN of Massachusetts. I do not want to give any information that I have received over the telephone from gentlemen who may not have desired to be quoted. As I see the question here today, we have in this country at the present moment 10,000,000 more men and women out of work than we had a year ago. That is the statement from a governmental agency, that there are more people out of work at this moment than there were a year ago. If this is a fact—and I do not know whether it is correct or not—I am like Will Rogers, all I know is what I see in the papers, but the report comes from a Government agency. If that is correct, the American people will find it a stern necessity to conserve their money. Funds must be prudently expended and with relief the paramount consideration.

I do not believe it is wise to say to this administration, "We are going to authorize \$400,000,000, and you must spend it for this purpose."

I believe the men charged with this great relief program should be trusted to determine the distribution. They should know better than we where it is needed; they should know better than we where it can be spent to the best advantage.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I will.

Mr. WHITTINGTON. Is it not true that this Congress has appropriated \$950,000,000 for relief without allocation?

Mr. MARTIN of Massachusetts. How do we know that that is going to be enough? Let us face the situation frankly. The gentleman knows this administration is going to be hard pressed for money to pay the cost of relief in this country, and we must be careful in authorizing expenditures.

Mr. WHITTINGTON. Is it not true that we appropriated \$500,000,000 last session and \$900,000,000 direct relief, and do I understand that the gentleman from Massachusetts wants to increase that amount?

Mr. MARTIN of Massachusetts. I do not know whether I do or not. I do not want to make it so that when the people do need relief they are prevented by the action of the House from getting that relief. When there are millions of the people of the country out of work it is a serious problem we are obliged to face.

Mr. HOEPEL. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from California.

Mr. HOEPEL. Is it not possible that the remonetization of silver would solve this question?

Mr. MARTIN of Massachusetts. Oh, that is too big a subject to tackle right now.

Mr. HOEPEL. Does the gentleman know of any better way of getting relief than that?

Mr. MARTIN of Massachusetts. I do not object to road building. I am objecting to this large amount of money being authorized at this time and the major proportion of the money going to sections of the country where the population is not so great, and the relief need is not so heavy as it is in the large industrial centers.

Mr. MALONEY of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. MALONEY of Connecticut. Do I understand the gentleman would favor this measure if the money were allocated in States where there is real distress upon the face of the population?

Mr. MARTIN of Massachusetts. There would be more justification for it, because then it would be here upon its proper basis as a relief measure. Today it appears to be here simply under the cloak of relief so that a large stake can be obtained.

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

Mr. MARTIN of Massachusetts. Yes.

Mr. McFARLANE. Early in his remarks the gentleman said something about "pork" being in this bill. If I remember correctly, the gentleman voted to change the system of law in regard to the allocation of funds, and as he just indicated he would favor the population basis rather than the road-construction work where roads are really needed.

Mr. MARTIN of Massachusetts. If we are considering distributing the money on merit and justice, there can be but one yardstick and that is population and where the people are out of work. I am not opposing the granting of this rule, but I sincerely hope, when the bill comes before us for consideration, that it will be properly amended.

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

Mr. MARTIN of Massachusetts. I yield.

Mr. MOTT. Does the gentleman know that the \$400,000,000 appropriated for road building at the last session of Congress provided for an average amount of unemployment of around 300,000 persons and over half a million persons during the summer time?

Mr. MARTIN of Massachusetts. I am objecting to the bill on the ground that a great State like Massachusetts, for illustration, where the unemployment is great; where thousands and thousands of men are walking the streets, a State which is a large contributor to the National Treasury, should have received last year from the appropriation of \$400,000,000 only about six and a half million dollars.

Mr. HOLMES. If the gentleman will permit a suggestion, for every dollar that Massachusetts got from the highway Federal fund, she contributed back \$6 in return.

Mr. MOTT. Mr. Speaker, will the gentleman yield for another question?

Mr. MARTIN of Massachusetts. I yield.

Mr. MOTT. The gentleman is aware that the area of his State, as well as the road mileage, is comparatively small, and that of the \$6,000,000 allocated to Massachusetts, about \$5,000,000 was used for road and street construction in municipalities, where more people were employed than in any other form of road building.

Mr. MARTIN of Massachusetts. The gentleman but emphasizes what I say. That is true, but people can get hungry in States of large population like Massachusetts, just as well as they can in other States, and if this is a relief measure it should be so used to take care of people who are actually out of work.

The SPEAKER pro tempore (Mr. O'CONNOR). The time of the gentleman from Massachusetts has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the remainder of my time to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I cannot believe that this is desirable legislation at the present time. If one should concede that something should be done by the Federal Government for highway construction, the amount carried in this bill, "not less than \$400,000,000", plus \$50,000,000 to be expended on highways in national parks and national forests, and plus \$10,000,000 for emergency purposes, a total of \$460,000,000, is beyond all reason.

Undoubtedly, the easy thing to do would be to go along with it and say nothing, but it is so out of harmony with what I think ought to be done that I shall take a moment at least to express my opposition to it.

On the 30th of April of this year, less than 2 weeks ago, the people of the State of Michigan, by a referendum vote, defeated a proposal to bond the State for an institutional and road-construction program by a vote of over 5 to 1. I cannot conceive that they would support this legislation, which would require them by taxation to pay into the Federal Treasury \$2, and over, for every dollar that could be allotted to the State out of this fund.

It should be kept in mind that this is for new construction, for the construction of new highways. No part of it can be used for the maintenance of existing highways. It is nothing that must be done to preserve anything under present conditions. It is not to relieve the States from some obligations which they must meet. It is not for the purpose of relieving individuals from obligations which they are unable to meet and which must be met to prevent irreparable loss. It is to make new roads, and if there is any one thing more than another in the United States that we can refrain from doing on a large scale, such as this legislation contemplates, temporarily at least, it seems to me that it is the building of additional highways.

This legislation comes in here under amazing conditions. There is no great popular demand for it that I have sensed. The bill is not recommended by the Bureau of the Budget, nor is it a part of the President's program, as I understand it. The bill comes before the House upon the unsupported statement alone of the Chief of the Bureau of Public Roads, Mr. MacDonald. Mr. MacDonald is an admirable man, but no one would say of him that he is purely a disinterested witness, on a question relating to the building of roads. There was no other testimony taken before the Committee on Roads than the statement of Mr. MacDonald. There is no report from the Bureau of the Budget and, as I understand it, the bill was not even submitted to the Bureau of the Budget by the Roads Committee, nor by the Department.

I sometimes wonder if there are more than a handful of people in the United States, aside from those directly interested in the building of roads, either in an official capacity or as contractors or material men, who would approve of legislation of this kind under existing circumstances. Certainly the recent vote in Michigan does not indicate that there are.

I have great respect for every official in the road business that I know, from the Chief of the Bureau of Public Roads here in Washington, down to the township overseers, of highways of the townships of my State. We have two of the best county road commissions in the State of Michigan in my congressional district. My home county boasts of having the best county road system in the United States, as distinguished from the Federal and State roads, due to our very efficient and capable road commission. The road commissioners are all friends of mine. I have great respect for them. If it were a matter of personal friendship I would vote for this legislation in a moment. I have not heard from them on this legislation and I cannot conceive, under existing conditions, that they would recommend the passage of this bill. Certainly the general public of the State of Michigan, if we can judge from the vote cast 2 weeks ago, would not approve of it.

It is put forward partly on the basis of furnishing employment to the unemployed. As I have said, the hearings are all on one side. The statement is made by the Chief of the Bureau of Public Roads, Mr. MacDonald, that this ap-

appropriation will furnish a certain amount of employment direct and indirect. The calculations as to the indirect employment are very elaborate and involved and not at all convincing to me. I think the conclusions in this respect are largely guesswork.

To point to one inconsistency only. The advocates of this measure say that machines will be done away with in the construction of roads and that as much of the work as possible will be done by hand, so as to give a maximum amount of employment to the unemployed. At the same time, Mr. MacDonald, in the hearings before the committee, in commenting upon the amount of industrial employment that would be created by this appropriation laid emphasis upon—I quote his exact language:

The amount of industrial employment that is provided through the furnishing of materials, transportation—a very large item, the building of equipment, and other supplementary employment, all of which are a part of the operations of road building.

But there is no guesswork about the direct employment which this appropriation will give. On that point Mr. MacDonald is very definite and specific. In that connection it is well to bear in mind that we have in this country at the present time somewhere between eight and twelve millions unemployed. How many people do you suppose are going to be given direct employment per year by this appropriation of \$400,000,000?

Mr. MAY. Will the gentleman yield?

Mr. MAPES. In just a moment. I quote from the hearings on page 5. Mr. Mott, a member of the committee, asked Mr. MacDonald:

How many men are employed now?

I wish the Members of the House would keep this particularly in mind.

Mr. MacDonald. For January about 130,000 directly. It takes \$160 per man-month.

One hundred and thirty thousand out of eight or twelve million unemployed working on the construction of roads!

Mr. Whittington. Will the gentleman yield?

Mr. MAPES. I should like to complete this quotation from the hearings and then I will yield.

It takes \$160 per man-month. That would mean \$16,000,000 per month additional, would it not?

The printed record says "Mr. Mott" again, but I think that is clearly in error, because Mr. Mott's name is at the beginning of two consecutive paragraphs, and this is evidently a continuation of the answer of Mr. MacDonald. He goes on to say:

That is near enough; maybe \$200,000,000 total. Perhaps \$600,000,000 additional appropriation would be needed if you wanted to keep the employment on road work up to the present point for another year.

One hundred and thirty thousand employed in January. It will take, not \$400,000,000, as this authorization contemplates, but \$600,000,000 to keep 130,000 men employed on road work for a year. If anyone thinks that is going to be of any material help to the unemployed in the United States, then he is just fooled. That is all.

According to my mathematics, that is \$4,615 per year for every man who is given a year's employment. Certainly this Congress ought not to pass any such appropriation as that as an unemployment relief measure. The taxpayers simply cannot afford to pay any such sum.

Mr. MAY. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. MAY. In opposing this appropriation, does the gentleman give any weight to the fact that the money is to be expended in making permanent and lasting improvements that are to be used by the entire public of the whole Nation?

Mr. MAPES. Yes; but I think in this time of distress we ought to forego luxuries and take care of the absolute necessities and that we can well cut down on the building of roads.

Mr. MAY. Does the gentleman regard a pick-and-shovel man's job as a luxury or as a necessity?

Mr. MAPES. I just tried to answer that. The testimony given by the advocates of the legislation, indicates, as I have pointed out before the committee, that it takes \$4,615 to provide work for one man for a year under this system.

Mr. Whittington. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. Whittington. The 130,000 was for the month of January?

Mr. MAPES. Yes.

Mr. Whittington. In the middle of the winter. This is out-of-door work, but in all fairness now, will the gentleman not read that part of the director's statement where there is no confusion and no typographical errors, on page 1, where he says:

So in the summer of 1934, at the peak of employment, when we have 280,000 continuous jobs going, we will reach with the supplementary employment added about 1,350,000 men employed by the Federal and State highway programs.

Mr. MAPES. I say to the gentleman that includes the elaborate calculations of Mr. MacDonald as to the direct and indirect employment.

Mr. Whittington. May I not, in all fairness, direct the gentleman's attention to this statement—

Mr. MAPES. In just a moment. I said at the beginning of my remarks that his calculations for indirect employment were not convincing as far as I was concerned.

Mr. Whittington. The direct employment would be around 5,600,000 men at the peak in June or July, as shown by the hearings.

Mr. MAPES. Yes; but he says it will take \$600,000,000 to keep 130,000 men employed over a year. No matter how many are employed at the peak, to keep 130,000 men going for the whole 12 months in the year, taking his own figures, would cost \$600,000,000.

Mr. Whittington. I think, if the gentleman would permit, in all deference, that is a typographical error.

Mr. Christianson. I understood the gentleman to state that it would take \$600,000 to keep 130,000 men employed for a year.

Mr. MAPES. I did not say that. I quoted the language of Mr. MacDonald, the Chief of the Bureau of Roads.

Mr. Christianson. I am asking for the purpose of getting information. Does that mean 130,000 men employed directly upon roads, or does it include those employed in the supply industries, for instance, the manufacture of cement and other materials?

Mr. MAPES. I repeat what I have said before, that it means those directly employed. The gentleman evidently just came into the Chamber and did not hear my other statement.

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

Mr. MAPES. I yield.

Mr. Mott. I do not agree with the gentleman in his interpretation of the figure given by Mr. MacDonald. That figure was only for the month of March. He said that during the peak employment period in the summer months, half a million people would be working directly on the roads.

Mr. MAPES. Mr. Speaker, we have gone over that. It is simply the same question the gentleman from Mississippi asked. That does not do away with the fact that Mr. MacDonald said that to keep 130,000 men employed during the year would take \$600,000,000.

Mr. Mott. I may say to the gentleman from Michigan that that is not my interpretation of Mr. MacDonald's statement.

Mr. MAPES. That is exactly what Mr. MacDonald said. I do not think it is subject to any difference in interpretation.

Mr. Mott. If Mr. MacDonald said that, he is wrong.

Mr. MAPES. The Government certainly cannot afford any such expenditure, and the taxpayers should not have this additional burden placed upon them.

Mr. Driver. Mr. Speaker, I think my friends from the other side of the aisle, especially from the populous centers, are unduly alarmed about the amount of money that will

be provided to continue relief activities. I do not think it justifies my Republican friends in opposing the road bill, for I am thoroughly convinced that the \$950,000,000 we have appropriated will largely be directed to those big centers and will provide the necessary care for the unemployed in those places.

Another feature of this bill is that under the formula set up for the operation of State administrations, 50 percent only of this money goes to Federal-aid roads, as we term them, the United States roads. Twenty-five percent as a minimum is to be expended within the cities and the towns in order to make the necessary connections with the improved highways. This provision was expressly made in order to provide employment in those populous centers, in order to spread employment, and in order to give the widest possible benefit from the money expended, 25 percent more—really 28.8 percent, for they added 3.8 percent to it—was expended on the farm-to-market roads, carrying that fund into the most remote areas of our Nation in order to give employment and the means of livelihood to those people there who need it.

Let me say to the Members of the House that the very best relief we can carry to the people of this Nation is to give them an honest day's work for an honest dollar [applause]; and that we are undertaking to do through this bill. Let me say further that the very best expenditure we can make of public funds is made when we get in return a permanent and enduring investment; and we certainly get it out of our roads.

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

Mr. GILCHRIST. What does this bill provide toward making mandatory the use of hand labor rather than machinery?

Mr. DRIVER. I fully agree with the thought the gentleman has in mind, that wherever we can spread employment we ought to do so.

Mr. GILCHRIST. I am asking what language is carried by the bill to bring about that accomplishment?

Mr. DRIVER. That is a matter that comes within the discretion of the administration of the road organizations.

Mr. GILCHRIST. Of each State?

Mr. DRIVER. Of the States; the same direction there was under the last Federal-aid bill.

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

Mr. DRIVER. I yield.

Mr. FULLER. I may say to the gentleman from Iowa that, having been on the Roads Committee, I am familiar with good-roads legislation, and I know it to be a fact that all over the United States, under rules and regulations of the administration of Mr. MacDonald, machinery is not allowed to be used in the building of roads where it is possible to do the work with hand labor. I know from an experience I had in my district. In the case I speak of it was absolutely impossible to do the quarry work and the grinding of the stone by manual labor, but I even had to make a trip to Washington to get an exception made so that they could use machinery for handling rock in the quarry before being ground. The same situation prevails all over the country.

Mr. DRIVER. Manual labor is being employed on this work just as much as possible under the regulations issued by the administration.

Mr. GILCHRIST. I should like to see some specific language carried in this bill if possible to make certain that manual labor is employed to the fullest extent in lieu of machinery, for this bill is in the nature of emergency relief, and the vast majority of these projects can be built by manual labor instead of machinery.

Mr. DRIVER. That will be worked out by the administration.

Mr. WHITTINGTON. Mr. Speaker, if the gentleman from Arkansas will yield, I may say to the gentleman from Iowa that section 206 of the Public Works Act of 1933, which is applicable to the pending bill, makes it mandatory that hand labor be used instead of machinery where it is possible to use hand labor.

Mr. GILCHRIST. I am glad to get the information.

Mr. WHITTINGTON. Speaking of the more populous States, with the permission of the gentleman from Arkansas, I may state that we have 207,000 miles of Federal-aid highways approved, of which only 107,000 have been completed. In the State of Michigan, for instance, there is an approved Federal-aid highway system 5,237 miles in length, of which only 2,339 miles have been completed. In the State of Massachusetts there is an approved Federal-aid highway system 1,494 miles in length, of which only 875 miles have been completed.

Mr. DRIVER. Mr. Speaker, in conclusion, let me say that the amount of money we are here seeking for the purpose of carrying on this road program is not an act for which we are required to make an apology. The present annual receipts from the excise taxes on automobiles and automobile accessories amounts to \$280,000,000. This money comes directly from the operation of motor vehicles on the improved highways of this Nation. We say, therefore, that it is only fair to the interests demanding this road legislation that we should share liberally in the amount of money appropriated for further activities of the Government.

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

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The resolution was agreed to.

A NEW DEAL AND THE SOUTH

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered by my colleague, Mr. RAMSPECK, over the radio last evening.

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

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered yesterday by my colleague, Mr. RAMSPECK:

The network over which I am speaking tonight covers the States of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Louisiana, and Arkansas, and for that reason the figures I shall use refer only to those States.

I am grateful to the Columbia Broadcasting System for their invitation to make this address and for the opportunity it gives me to speak to the people of my State and section.

In common with the entire country, on March 4, 1933, the Southern States were prostrate, business and commerce were at a standstill, the banks were closed, and our people viewed the future with little hope.

The magnetic inaugural address of the new President caught their attention. It turned their faces toward the rising sun of a new day, one in which hope was renewed and courage was reestablished. His prompt and effective methods in dealing with the banking crisis electrified the Nation and brought to him the most remarkable support of public sentiment in the history of our country. A willing Congress, convened in special session, rapidly enacted his plans into law.

In less than 100 days the Congress wrote into law emergency legislation constituting the first chapter of the new deal, thus making it possible for the President to organize the agencies that have wrought such a change in conditions throughout the country. Never before in America has a President had such loyal support from Congress, and never before have our people recovered so rapidly from the deplorable conditions of a panic.

The Southern States referred to, in common with the other States of the Union, have received concrete results from the new deal. Federal money has been spent freely to "prime the pump", thus starting the wheels of private business and industry. As a result, millions of our people have been reemployed.

To get a clear picture of the remarkable success of the new deal, we need only to scan the prices of commodities in March of last year and compare them with those existing today. Cotton and wheat have almost doubled in price. Steel mills and automobile factories are again operating at high speed, and other industries long closed down have been reopened and are sending their products throughout the land.

Retail sales have climbed rapidly. The people are showing new courage as all lines of private activity take on new life. In fact, so rapid has been the improvement that some selfish people are now inclined to be critical. They are like the sick person, who, beginning to recover from an illness, feels like dismissing the doctor whose attention is restoring him to normal health. We must at this time have patience. We must not dismiss the doctor

until we are sure that recovery is permanent. We must be sure that we do not return to the abuses and excesses which brought about the panic of 1929.

The Government, during the first year of the new deal, has put into operation relief and other agencies that have distributed in the States named approximately \$1,237,000,000.

The Agricultural Adjustment Administration has paid to the farmers of the States named \$91,000,000 for rentals, cotton options, and other benefits accruing under legislation enacted to help agriculture. For the first time in many years the farmers of the South made money last year. They were enabled to pay their debts and to buy many things they needed from the merchants of the towns and cities of our section.

It was my privilege to handle the bill for the establishment of the Civilian Conservation Corps for the administration when it came up for consideration in the House. This organization took from the streets 300,000 young men, gave them healthy outdoor employment, and enabled them to send money home to their dependents. The sum of \$68,000,000 has been spent in the States named for this purpose. The work of these young men has largely improved the value of our forests, prevented forest fires, and greatly aided in the conservation of our timber resources. The President is deeply interested in this matter, and I am happy to have had a part in its creation.

The Public Works Administration allotted to the States named \$67,000,000 for the purpose of building highways. This money is being spent in the cities and towns as well as on the main highways. It is furnishing much employment and is assisting our States in completing their highway systems. This agency has also allotted to these States \$296,000,000 for other public-works projects, such as construction of waterworks, sewerage, bridges, and public buildings for cities and towns. We expect to appropriate further sums for public works before this session of Congress adjourns, including additional funds for roads and for the building of post offices and other Federal buildings.

The Farm Credit Administration, created to supply our farm population with proper credit facilities, has loaned in the States named \$128,000,000. These funds have saved many farmers from foreclosure on their lands and provided loans for making crops. It has reduced their interest rates and gives them liberal terms of repayment.

Our great President believes that no citizen of our country should be permitted to suffer for want of food and clothing. For carrying out this belief Congress appropriated funds and the President established the Federal Emergency Relief Administration. It has expended in the States named \$105,000,000 for civil works and \$90,000,000 for direct relief for those who could not be employed.

The Reconstruction Finance Corporation has been expanded under the new deal. Before the creation of the Federal Emergency Relief Administration this agency loaned the States for relief the sum of \$82,000,000. It has also loaned in these States \$242,000,000 to banks, railroads, and other financial institutions, including large sums for the payment of depositors in closed banks. This agency has saved many of our institutions from bankruptcy, thus protecting the savings of millions of our citizens. Before Congress adjourns I hope to see it authorized to make direct loans to individuals and corporations to help them expand employment.

In the belief that many persons in cities would be helped by enabling them to own small farms, the President provided a plan for establishing subsistence farms. For this purpose, in the States named, there has been allotted three and one half million dollars. Other such projects are now under consideration. This plan will provide a new and better life for many of our citizens now stranded in the cities.

The Home Owners' Loan Corporation has saved in the States named approximately 25,000 homes from foreclosure, having loaned for this purpose \$60,000,000. These loans are made at reasonable rates of interest and upon liberal terms of repayment. The creation of this agency will, in my opinion, permanently improve the conditions under which home building is financed. It is my hope that this Congress will provide further funds for building new homes, and especially for the renovation of the thousands of buildings now in need of repairs. I believe that the building industry can and will furnish much employment if these funds are made available.

The new deal has brought to the South the Tennessee Valley Authority, a Government-owned corporation for the development of the Tennessee Valley. Under its operations our electric-power facilities will be enlarged, prices of such power reduced, and it is expected that many new industries will be attracted to that section.

I have given you a brief summary of the direct money benefits that have come to our section through the new deal. Similar benefits have gone to each State in the country. Thus the impetus has been furnished for the revival of private business and industry. Thus employment has been furnished for millions of our fellow citizens. Thus hope has been brought back and courage for the future revived.

In creating the machinery for the new deal the Congress has shown its loyalty to the President in a degree never before equaled in the history of our country. We have been accused of passing anything the President wanted without consideration. This is not true; but we have given him our utmost support in most instances, and we believe that in this emergency it was our duty to so cooperate with the President.

In the Congress the Southern States have had a leading part in shaping the legislation asked for by the President. The leader

of the majority forces in the Senate is from Arkansas. The House majority leader hails from Tennessee. Many of the chairmen of the leading and most important committees in both branches of the Congress come from the States in which my talk is being heard tonight. These men and women in the Congress have worked long hours in an effort to uphold the hands of our great leader. All of the Members of Congress and Senators from these Southern States have loyally aided the new deal through their support of the measures designed by the administration to bring relief to the suffering population of our country.

The success of the new deal has been due not only to the rapid cooperation of Congress and loyal public sentiment favorable to its aims throughout the country, but also to the courageous and inspiring leadership of that great President who occupies the White House. His heart beats in sympathy with the masses of our people. He is the new deal. His courage and his honest effort to operate the Government in the interest of all of the people has brought to America a new day and a new hope.

In putting into effect the policies of the new deal, the President has called to his aid many of the outstanding men and women of the Southern States. This has aided our section because it brings to the Government machine a better understanding of our problems and our needs. These men and women of the South are filling many positions of importance and power in the new deal. Time does not permit me to name them, but they are rendering effective and capable service in every branch of the Government.

The people of the South are for the new deal almost without exception. They recognize in the President a man who is a part-time citizen of our section, who understands us. They have seen the beneficial results of his efforts. They have confidence in this great humanitarian and under his direction they will carry on with him to the end that we may all enjoy a more abundant civilization in America.

NOTHING NEW UNDER THE SUN

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, ladies and gentlemen of the House, the Bible is the most remarkable of all books. It is the anvil against which the hammers of ignorance, bigotry, and superstition in all ages have beaten themselves out. From its inspired pages can be drawn inspiration to make wise the foolish, satisfy the ambitious, caution the careless, and encourage the discouraged. Its philosophies are as sound as truth; it scales the heights and it plumbs the depths of all human activities, mental and physical. The author of the book of Ecclesiastes was reaching high into the ether of philosophy when he said:

The thing that hath been, it is that which shall be; and

That which is done is that which shall be done; and there is no new thing under the sun.

Is there anything whereof it may be said: See, this is new?

It hath been already of old time which was before us.

There is a strong tendency in these modern days to doubt the philosophy of the author of this book of the Bible who styles himself in his first verse as the preacher, the son of David, the King of Jerusalem. For in these days of the new deal and the "brain trust" we are led to believe that our problems are all new and that the methods employed by the administration in solving our problems are new in the history of governments. But, verily, "there is no new thing under the sun."

There has recently come to my attention an article written by a student of the history of governments that shows a most interesting and striking parallel between the conditions and events of our day and the conditions and events of the days of 2,000 years ago. Most of what I say hereafter in this article is taken literally or in substance from that article, the subject of which is *Novae Tabulae*, which means "new accounts" or "new deal." This was the name applied to the economic program of Diocletian, who ruled Rome in the third century of the Christian Era.

In the year 285 A.D. Rome was at low tide. Diocletian believed that the time had come to remodel society. He decided that the Emperor should be the sole fountainhead and source of authority, and that his edicts should be the law of the land. He undertook a planned economy. He divided the Roman Empire into provinces and kept them all under his domination and proceeded to inaugurate a system of benevolent despotism. History records that while

"the image of the ancient constitution was religiously preserved in the Senate, its authority became moribund in consequence of a lack of defenders."

Another historian writes, "He was an inveterate organizer of governmental bodies." A multitude of inferior officers lay heavy on each territory and almost each city. There were conservators of different degree and deputies of administrators. A public-works program was planned. He built public halls, factories, and places of amusement. The project at Reedsville, W.Va., fostered and mothered by the First Lady of our land, was probably patterned after his plans. A great army of collectors were sent out to collect the revenue from the people. The currency was debased. Formerly the number of aurei coined from a pound of gold was 50. Diocletian ordered that this should be changed so that 60 would be the required number. Then he changed this to 72, where he pegged it in true modern style. Silver, too, was coined in true Bryan ratio of 14.7 to 1. In order to assist him the better in holding his power over money, he burned all books and scientific information teaching the art of making gold. When his money manipulations failed, he proceeded to control the prices of commodities. One of his edicts published by way of inscription is extant today. It reads like the product of the modern "brain trust." With great vehemence he dwells upon the greed of the money changers much after the fashion of a more modern executive with dictatorial tendencies, and proceeds to fix prices of all the commodities of life and to regulate the wages of laborers, artisans, and school teachers. This was a gigantic experiment in government by codes. His experiment was a disastrous failure. He also inaugurated an A.A.A., which included all the principles of the modern A.A.A., including the now famous Bankhead brothers' cotton formula. He undertook to restrict the production of grapes and ordered the plowing up of one third of the vineyards of Italy. He did not bother to write into the law any language giving him authority to inflict punishment or to lay penalties. He did that without any statutory sanction. He had that advantage over President Roosevelt, who, although enjoying more power than any other President ever enjoyed, has not yet the power to lay penalties without some sort of a trial.

In effect, though he has much of this kind of power when he turns loose that modern Nero, General Johnson, to seek out those whom he may devour and who is ever ready with his administration gun to crack down on those who, although probably acting within their full constitutional rights, incur his displeasure. When Diocletian found a farmer unusually prosperous, he did not give him credit for industry and frugality, but proceeded to punish him for not keeping within the restrictions. This is the practice in Soviet Russia. This is the course which the administration is taking under the guidance of that group of young agricultural reds who are headed by Secretary Wallace. Farming by force of bureaucratic power is not conducive to that great freedom that should come to him who tills the soil; but, on the contrary, it harks back to the days of peonage and feudal servitude.

Diocletian's bureaucratic system failed and loaded the government with an intolerable debt from which it was never able to extricate itself. So great were the debts and so far was the budget out of balance and so heavy were the taxes that people everywhere gave up trying to pay them until those who were delinquent with their taxes far outnumbered the wage earners of the country. How tragic, yet how modern! "Farms were abandoned, cultivated ground became woodland, and universal dismay prevailed." Verily, "there is nothing new under the sun."

The unstatesmanlike activities of Diocletian marked the beginning of the end of the Roman Empire. Gradual was the decline of the Roman Empire from that time. Thereafter followed an unending series of clamors and conflicts. (May the chain of similarity break here.) Diocletian became more and more a dictator. Access to him became more and more difficult, for he was surrounded by many

scholae—which is Latin for "brain trust"—who kept him from the contact with the common people. Our President should beware of the advice of those who seem to think that our national activities so far have been a gigantic failure, and that a new deal transferring sovereignty from the people to a dictator is the only way to "proclaim liberty throughout the land and unto the inhabitants thereof." Our national memories are our richest heritage and proudest possessions.

While the points of similarity between the events of the present administration and those of the rule of Diocletian have been cited, we feel no uneasiness from any thought of imminent danger, but let us profit by the mistakes of Diocletian. Let us remember what Thomas Jefferson wrote to James Madison when he was discussing the tyranny of the legislative branch of government. He said:

The tyranny of the executive power will come in its turn but at a more distant period. History is repeating itself making only such changes of program as the growth of the nations and citizens require.

THE ROADS BILL

Mr. CARTWRIGHT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the Cartwright bill, H.R. 8781, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. CARTWRIGHT. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. BLANTON. I reserve the right to object merely to ask some questions; may I ask the gentleman whether or not his committee would be favorable to an amendment to this bill which would require all those employed by the expenditure of this money to be American citizens?

Mr. CARTWRIGHT. I cannot agree to anything of that kind.

Mr. BLANTON. In some sections the contractors have employed aliens from foreign countries, and the white citizens, who have for generations lived in those States, get very little of this employment. The bill should be amended in this respect. I am going to insist on such an amendment. This ought to be an American bill for Americans only.

Mr. WHITTINGTON. It is.

Mr. BLANTON. We should restrict this expenditure in that way. I am going to offer such an amendment and I hope the committee will help us get it passed.

My attention, Mr. Chairman, has just been called to the fact that the provision we put in a former bill requiring that only Americans, or those who had already filed their papers to become American citizens, should be employed, will apply to this measure, and will prevent aliens from being employed, hence it will not be necessary for me to offer the amendment I mentioned.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CARTWRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, my rising at this time is caused by certain remarks made by the gentleman from Massachusetts [Mr. MARTIN], and the gentleman from Kentucky [Mr. VINSON]. As far as I am concerned I have always voted for good roads, and I am in favor of this bill. I reserve, of course, the right not to go beyond any appropriation which the administration may want.

It may be true that the great State of New York will contribute about \$135,000,000 of the total amount in taxes. It is also true that that State will only receive \$22,000,000, I understand, as its allotment, but I think that is a very nar-

row view to take, because the people of New York are interested in the entire country. They use the roads of the entire country to a certain extent the same as people from other States use our New York roads, and I do not think we should approach the question from any such narrow sectional viewpoint.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. The gentleman misses the point entirely. That might be true if this was a road bill coming here in the ordinary way, but this bill comes here in the disguise of a relief measure to help unemployment. That being the case, does not the gentleman think the millions of people who are unemployed in Massachusetts and New York should be given full consideration?

Mr. O'CONNOR. I think they have been and will be taken care of in other ways, as has been pointed out heretofore.

Mr. MARTIN of Massachusetts. But now is the time to take care of them.

Mr. O'CONNOR. I think any road-building program is a national program and should not be considered from that viewpoint.

[Here the gavel fell.]

EMERGENCY CONSTRUCTION OF PUBLIC ROADS

Mr. CARTWRIGHT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, Federal responsibility in cooperating with the States in the building of roads is not a new issue. The first Federal-aid road was built under the supervision of President Thomas Jefferson in 1806. While this effort in colonial times was not continued, the Federal Government 24 years ago, by the appointment of a special committee of the Congress composed of 5 Senators and 5 Representatives, made an exhaustive study of this situation. Their investigation covered a period of 2 years. They reported to Congress, unanimously, that it was a Federal responsibility and duty to cooperate with the States in building an interstate system of highways. They based their decision on the following constitutional provisions: (a) National defense, (b) interstate commerce; (c) Postal Service, (d) general welfare. Following this report of the special congressional committee, the Congress, in 1916, made an authorization of \$5,000,000 to cooperate with the States in building roads, having in mind to demonstrate the practicability of this movement.

ROAD POLICY ADOPTED

Ever since that time not a single year has elapsed that there have not been some Federal funds provided for this work. It has not been a partisan issue, and I am glad to say that every bill reported out of the House Committee on Roads during these 18 years covering this subject, has received a unanimous report from the committee.

Following the approval of the Federal Highway Act of November 9, 1921, under which a definite system of roads was outlined, for the construction of which Federal funds might be expended, each Congress has made an authorization for the carrying out of this act with varying amounts.

EMERGENCY ROAD APPROPRIATIONS

Three years ago an extra appropriation of \$80,000,000 was made in addition to the regular Federal aid of \$125,000,000, to aid in the employment of more men in highway work, due to the lack of employment in commercial lines. The situation not improving, the following year an emergency appropriation of \$120,000,000 was made, and this was in addition to the regular authorization of \$125,000,000. Last year the situation became so desperate in the unemployment problem that, under the National Recovery Act, we made an appropriation of \$400,000,000. This fund, however, was not made available to the States until about the 1st of August. All lines of industry were so slow to absorb the unemployed in jobs that the administration urged the highway departments to place all of this \$400,000,000 immediately under contract. This entailed a vast amount of work in the prep-

aration of plans so that the funds might be judiciously expended. However, that part of the work has now so well advanced that today about 88 percent of that fund is obligated for contract and, of course, some has already been expended.

PURPOSES OF BILL OUTLINED

The bill before you contemplates an authorization for the same amount as made by the last session. Your committee has unanimously recommended this authorization, basing their request upon a very detailed investigation and complete statement from the Bureau of Public Roads, through the Chief of the Bureau, Thomas H. MacDonald, showing that the funds now obligated for contract will be, to a large extent, transferred into labor by the last of August.

These projects will be carried on in 90 percent of the counties of the United States, and at the peak of employment there will be directly and indirectly employed, over 1,000,000 men. In view of this situation and the fact that there are still millions of men unemployed, it seems that it would be a catastrophe should this vast number of men be thrown out of employment in September.

NEED FOR THIS AMOUNT—ROAD USER PAYS THE BILL

It was also disclosed at the hearings held by the committee that even with the authorization of the same amount as appropriated last year, the entire road program for the country for 1935 will not equal that of this year—1934. This is due to the fact that State funds have been greatly depleted or transferred to other purposes to aid in the unemployment situation. It should always be remembered that the States are required to bear all the expense of road maintenance.

Likewise we should realize that the returns to the Federal Treasury from taxes levied directly upon the road user and indirectly through sales taxes show that the entire \$400,000,000 authorized will be returned to the Treasury from these sources during the period of its expenditure. The gasoline tax, together with motor-license fees and miscellaneous taxes as paid by the highway user last year, amounted to \$257,000,000. If they pay, they should have more roads and better roads.

OPERATES UNDER RECOVERY ACT

As I have stated before, the first section of this bill before you would authorize \$400,000,000 to be appropriated and expended under the provisions of section 204 of the National Industrial Recovery Act. This means that the funds will be expended under the Bureau of Public Roads by the same methods as have been adopted for the expenditure of the present funds. All of the provisions concerning employment, wages, hours, and so forth, that now prevail in the National Industrial Recovery Act will apply to the expenditure of these funds, including funds for the construction of "feeder roads."

The only addition to that section proposed by your committee is granting permission for the expenditure of not to exceed 1½ percent of the fund allotted to any State to be used for making surveys and preparing plans for projects for future construction on the Federal-aid system. It seems wise for us to make provision for future work and aid the States in this important particular.

ROADS THROUGH GOVERNMENT-OWNED LAND

The next section of this bill makes provision for the authorization of \$50,000,000 to be expended for highways in Government-owned land, such as the main highways through the national forests, national parks, Indian reservations, and public lands. This is a rightful policy of long standing, and is so well understood that it seems to me unnecessary to make further explanations as to the necessity and value of this work.

SPECIAL RELIEF ROAD FUNDS

The third section of the bill sets up \$10,000,000 as an emergency relief fund to be expended by the Secretary of Agriculture, under the provisions of the Federal Highway Act, in such States as may have suffered destruction of highways resulting from floods, hurricanes, earthquakes, or landslides. It has seemed needful for several years for the Federal Government, under these special cases, to make

special appropriation to rebuild highways destroyed under circumstances over which we have no control. This special fund will permit the carrying out of this work without it being necessary to bring in, from time to time, special bills for special States, covering conditions that warrant such appropriations.

RESTRICTIONS REMOVED

Section 4 of the bill proposes to make permanent the legislation which now exists and has existed for 3 years, of setting aside the old regulations that do not permit the construction of roads into towns of greater population than 2,500 and limits Federal funds to \$15,000 per mile. This has not been a practical thing during recent conditions. In fact, authorities, both State and Federal, have felt for some time that this is a restriction that no longer is needful and which is really a hindrance in many instances.

REDUCTION REQUIREMENTS WITHDRAWN

When the emergency appropriation of \$80,000,000 was provided several years since, it was thought that the unemployment situation was so temporary that deductions could be made from any future Federal aid granted to the States to replace this appropriation. Therefore that bill provided that this money was to be repaid by the States in amounts of one fifth per year out of future authorizations. Unemployment still persisting the next year when the \$120,000,000 emergency road fund was provided, that bill proposed that 0.1 per year of the fund be subtracted from future Federal appropriations. It can readily be seen that the conditions of these obligations would soon leave the patient without any funds left from authorizations made. In view of the continued unemployment situation and the great value of road work well illustrated by the appropriation made last year, your committee feels that those provisions concerning the repayment of these funds should be repealed.

GREAT NEED FOR IMMEDIATE AUTHORIZATION

This is an authorization, as you well know, and not an appropriation. The amount of actual cash needed for the remainder of this calendar year from this authorization will be very small. If this bill passes, provision, of course, will be made by our Committee on Appropriations covering the needs at that time. It is highly important, however, that we make an authorization at this time in order that the States may know what to depend upon. They must provide for surveys and plans in order that there may be a continued program after the 1st of September instead of a period of time elapsing during which thousands of men will have no employment whatsoever.

OKLAHOMA

Of the funds allotted to the States under the National Recovery Act during the past session the quota for my State, Oklahoma, was \$9,216,798. Of this amount on the 5th of May our highway department had under obligation for construction \$8,552,000, or 92.2 percent of the entire allotment.

It can readily be seen, then, how necessary it is for my State, which is typical of most other States, that we should make arrangements at this session for a continuing road program if we desire to keep thousands of men from being thrown out of employment.

OTHER STATES

The following table gives, by States, the apportionment of this fund and the amount obligated as of May 5, 1934:

	Apportionment	Obligated	
		Amount	Percent
Alabama.....	\$8,370,133	\$6,035,000	72.1
Arizona.....	5,211,960	4,728,000	90.7
Arkansas.....	6,748,335	5,117,000	75.8
California.....	15,697,354	14,491,000	92.3
Colorado.....	6,874,530	6,473,000	94.2
Connecticut.....	2,865,740	2,853,000	99.6
Delaware.....	1,819,088	1,481,000	81.4
Florida.....	5,231,834	5,011,000	95.8
Georgia.....	10,091,185	6,768,000	67.1
Idaho.....	4,486,249	3,963,000	88.3
Illinois.....	17,570,770	15,426,000	87.8
Indiana.....	10,037,843	8,281,000	82.5
Iowa.....	10,055,660	8,800,000	87.5
Kansas.....	10,089,604	10,076,000	99.9

	Apportionment	Obligated	
		Amount	Percent
Kentucky.....	\$7,517,359	\$6,242,000	83.0
Louisiana.....	5,828,591	5,366,000	92.1
Maine.....	3,369,917	3,188,000	94.6
Maryland.....	3,564,527	1,871,000	52.5
Massachusetts.....	6,597,100	5,833,000	88.4
Michigan.....	12,736,227	11,395,000	89.5
Minnesota.....	10,656,569	8,482,000	79.6
Mississippi.....	6,978,675	4,477,000	64.2
Missouri.....	12,180,306	10,637,000	87.3
Montana.....	7,439,748	7,190,000	96.8
Nebraska.....	7,828,961	7,828,000	100.0
Nevada.....	4,545,917	4,339,000	95.4
New Hampshire.....	1,909,839	1,830,000	95.8
New Jersey.....	6,346,039	5,430,000	85.6
New Mexico.....	5,792,935	5,219,000	90.1
New York.....	22,330,101	21,514,000	96.3
North Carolina.....	9,522,293	6,576,000	69.1
North Dakota.....	5,804,448	3,739,000	64.4
Ohio.....	15,484,592	15,140,000	97.8
Oklahoma.....	9,216,798	8,552,000	92.8
Oregon.....	6,106,896	5,764,000	94.4
Pennsylvania.....	18,891,004	17,421,000	92.2
Rhode Island.....	1,998,708	1,827,000	91.4
South Carolina.....	5,459,165	4,431,000	81.2
South Dakota.....	6,011,479	4,199,000	69.8
Tennessee.....	8,492,619	7,205,000	84.8
Texas.....	24,244,024	20,588,000	84.9
Utah.....	4,194,708	3,855,000	91.9
Vermont.....	1,867,573	1,853,000	99.2
Virginia.....	7,416,757	6,986,000	94.2
Washington.....	6,115,867	6,006,000	98.2
West Virginia.....	4,474,234	4,033,000	90.1
Wisconsin.....	9,724,881	8,890,000	91.4
Wyoming.....	4,501,327	4,275,000	95.0
District of Columbia.....	1,918,469	1,918,000	100.0
Hawaii.....	1,871,062	1,613,000	86.2
Total.....	394,000,000	345,223,000	87.6

This table shows the amount of Federal funds obligated as of last Saturday, May 5, for highways in the several States under the Recovery Act total \$345,223,000. It shows an average for all of the States of 87.6 percent of the total amount being obligated to definite contracts. This is complete proof that the funds under this legislation will all be transferred into labor by early fall, and unless this Congress makes arrangement before adjournment for additional funds, hundreds of thousands of men will be out of employment.

CLOSING

In closing I wish to say that much valuable time could be spent in delineating the wonderful progress made in building a system of highways in this country that are interstate in character and are of great commercial and social value to the entire country; but the work is far from completion. There are over 3,000,000 miles of highways in the United States and less than 800,000 miles of highways that have any kind of surfacing whatsoever.

It should be a matter of great satisfaction to all to realize that the funds expended for road building, in addition to furnishing employment in virtually every county in the United States, is adding to the permanent wealth of each community. This work is being supervised with economy and integrity, which should be a source of great satisfaction to all high-minded citizens. [Applause.]

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

Mr. CARTWRIGHT. I yield.

Mr. MARTIN of Massachusetts. Is there any provision in this bill which would prevent convict labor from being used on this work?

Mr. CARTWRIGHT. I do not know that there is.

Mr. MARTIN of Massachusetts. Does not the gentleman think such a provision should be included?

Mr. CARTWRIGHT. I do not think so.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mrs. KAHN. As long as this is primarily an unemployment measure, would the committee accept an amendment confining the materials used to materials of American manufacture only, because this would certainly spread employment?

Mr. CARTWRIGHT. We should not be technical with the State highway commissions. They should have some latitude.

Mrs. KAHN. We do this in connection with other departments of government. We compel the War Department and the Navy Department to buy American-made goods and as this is an unemployment measure I do not see any objection to including a provision in the bill that the road materials used shall be of American manufacture. This certainly would spread employment.

Mr. CARTWRIGHT. Perhaps so.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, gentlemen who have criticized this bill seem to have proceeded upon the assumption that we are here authorizing the appropriation of a large amount of money which, but for the bill, would not be expended at all. This is not the case.

The money that will be used for road construction under this bill will come from the funds made available by the Public Works bill which is to be passed at this session. Nobody knows, of course, just how much this will be. It may be a billion and a half, it may be two billions, or it may be two billions and a half. But whatever the amount may be, this money to be appropriated in the Public Works bill is going to be expended for public projects throughout the United States. It is going to be spent both for the purpose of helping to solve the unemployment problem and for the purpose of building sound public works.

Now, this billion and a half or two billion dollars—it is going to be spent in any event. It is all going to be spent whether this road bill passes or not. What this bill does—and this is the whole issue here involved—is to earmark \$460,000,000 of that Public Works money for road construction. Instead of allowing all of the \$2,000,000,000 to be expended in the discretion of one man or one bureau, we declare by this bill that the Congress shall have something to say about how part of it, at least, is to be expended. In other words, in this bill Congress is at last reasserting itself and is recapturing a part of the jurisdiction it surrendered to the executive department last session.

We think if the Government is going to tax the people for a Public Works program of \$2,000,000,000, or whatever the sum may be, that out of that fund an amount of at least as much as the \$400,000,000 authorized by this bill ought to be earmarked for the purpose of building roads.

Personally, I think the entire amount to be appropriated in a Public Works bill ought to be earmarked by Congress for definite, specific purposes. That is an issue we will have to meet and solve when the time comes. So far as roads are concerned, we face the issue now, and we are going to earmark the amount of Public Works money we think ought to be expended for roads.

If this authorization is made we will have to go to the Appropriations Committee for the actual appropriation bill. Maybe we will get the entire amount and maybe we will not, but whatever we get for roads we will get it by virtue of our own authority as the lawmaking body of the Nation and not as a gift or a favor from the Public Works Administrator or any other executive officer.

Mr. McCLINTIC. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. McCLINTIC. Is it not true that the allocation of this money, if appropriated, will be along the same line as set out in the National Recovery Act.

Mr. MOTT. The bill provides that it shall be expended under the provisions of section 204 of the National Recovery Act. That, however, is purely an administrative feature of this bill, providing for the manner and method of distributing and expending the money authorized to be appropriated by this bill.

Mr. COLE. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. COLE. Can the gentleman tell us, if he knows, how much of the \$2,900,000,000 of Public Works fund, remaining after the \$400,000,000 for roads was taken out, went into roads in addition to the \$400,000,000, under the 70-30 contribution?

Mr. MOTT. The gentleman refers to the Public Works expenditures for roads in last session's bill? I could not answer that question, because I do not know that any such Federal money went into roads aside from the roads allotment item in the Public Works bill.

Mr. COLE. A great deal of it went into roads, I may advise the gentleman, under a 30-percent outright gift.

Mr. MOTT. I do not see that that is important. About \$400,000,000 went into road construction under last session's bill. If the Public Works Administrator spent more than that, it was because of the almost unlimited emergency power the bill gave him. His power, I think, may very properly be restricted in the next P.W.A. bill.

I was interested in the observations of the gentleman from Massachusetts [Mr. MARTIN], that this bill is pork-barrel legislation, and in the observation of the gentleman from Michigan [Mr. MAPES], that there was no demand for it.

Let me answer the first criticism by saying that if legislation which gives to all the people of the United States, and to all of the States, the same thing equally, and which gives them meritorious projects that they all are in legitimate need of, if that is pork-barrel legislation, then pork-barrel legislation is something much less objectionable than I had imagined.

As to the criticism that there is no demand for the legislation, the facts do not bear out that assertion. There is no legislation that has been proposed at this session or at the last session that has met a greater or more urgent demand than this. There is no legislation that has so met the general approval of all the people or that has been so popular as this road legislation. And the reason for it is this: The people all want roads and the road money has been expended in such a way that there has been no ground for criticism from anyone in any part of the country.

People have criticized the Government for the money that has been spent on the Boulder Dam. They have criticized the expenditure of money for Muscle Shoals. The same criticism has been directed by different people from different sections of the country against almost every public project that has been undertaken. But no criticism has ever been directed by anybody, in any section of the country, against expenditures of Federal money for roads.

The reason for that is that everybody needs roads, everybody wants roads, everybody knows about roads, and everybody uses the roads. When we use our Public Works money for road building we are using it for a purpose we are familiar with and for a purpose we all approve of.

We have commissions composed of experts who make programs for road building in every State. In every county we have county boards, and boards of county commissioners whose business it is to make roads. Road building is the one form of public works that the people themselves are familiar with.

Mr. BLANCHARD. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. BLANCHARD. Does the gentleman think that this \$400,000,000 is to come out of the sum for Public Works?

Mr. MOTT. Certainly. This will come out of what is appropriated for the Public Works fund. This bill earmarks \$400,000,000 of the Public Works money so that it cannot be used for any other purpose than road construction.

Now, there is another point I want to bring out, and I think it is important. It has become more and more the policy of the Federal Government in recent years to participate in the road-building programs of the States. The reasons for this are two. In the first place the States alone can no longer build the kind of roads that the people of the United States need. The highway system of our country has become too extensive and too expensive for the States themselves to finance under their old obsolete systems of State taxation. Neither in my State nor in any other State can we build by State taxation alone the roads that modern interstate automobile traffic requires. No State has money enough to do that. Our highway problem has ceased to be a State problem. It has become a national problem. I think the time will come and I hope it will come soon, when

the matter of road building in all parts of the United States will be almost entirely a function of the Federal Government and this bill takes a long step toward that goal.

I do not see how there can be any just criticism of this bill. As I said a moment ago we are going to expend this money for public works anyway. Why not expend part of it for the kind of public works that will do the most permanent good to the greatest number of people? For the kind of public works that will distribute the money most equitably and which will furnish the most employment to the people who need it most. Public money spent for roads will do all this. It will furnish honest, honorable employment in every community in the United States, and that employment will result in the creation of honest public projects which everyone wants and which every community needs. This bill deserves to pass unanimously.

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, I do not quite agree with some of my brethren on the Republican side in their opposition to this measure. I expect to support it. There is one feature advanced by gentlemen on the Republican side that has merit to it and that is that probably a greater proportion of this appropriation should go to the more populous States. Let me give you a little bit of the history of how this system of allocation was heretofore developed. When the N.R.A. bill was being prepared in the Ways and Means Committee, of which I have the honor to be a member, we had that matter under consideration and gave it a great deal of thought. At first it was decided that we would apportion 25 percent of this amount to be divided among the States according to population, but later, after more deliberate consideration, it was decided that 12½ percent would be probably the more accurate amount. Therefore, this proposition made by gentlemen on the Republican side is not a new proposition. While it has a good deal of merit, there is no reason why this program, if it is meritorious, which I think it is, should not be carried forward, that argument to the contrary notwithstanding.

If you will bear with me for a moment I should like to explain to you just how the road money was divided before the N.I.R.A. was passed. It was divided on three bases, first, the factor of population of the States. The second factor was the area of the State, and the next factor was the road mileage of the State, a third to each. You can see how reasonable that would be to a great State like New York, having a great population, or, let us take Massachusetts, a smaller State in area.

Massachusetts is a small State in area but quite a large State in population. She would get her road mileage because of her population. Now, take Montana, for instance. A large State in area and mileage, with a sparse population. Unless we should have some protection for her by way of mileage and area she would be cut out. So this is a properly considered formula, but when the N.I.R.A. came up for consideration, it was primarily an emergency law, it was primarily a law to relieve unemployment, and we took out the first 12½ percent and set it aside to be divided according to population. At that time I was a member of the Committee on Ways and Means, and was in favor of the 25 percent, because I thought it was right, and from the standpoint of policy. I come from a State of large population, and it would have meant eight or nine million dollars more for Ohio. However, I was glad to get 12½ percent, but would have voted for the old formula had it been necessary to employ it as the formula of distribution.

What I rose for today is not to argue for this measure, for I think it will carry. I want to propose an amendment to this bill, and I think my amendment will receive unanimous support, because it is fair and it is honest, and it is practical. I have talked to practically every member of the committee, and all of those to whom I have talked have agreed to it, and the chairman of the committee expresses no unwillingness. I know my colleagues from Ohio, especially the southern part of Ohio, will support me to the limit

in what I have to say with reference to it, and I want your attention on this proposition for the remainder of my time.

The N.I.R.A. does not provide how this money shall be disposed of after this allocation is made. Take States like Ohio. She got \$16,000,000. The law provides that the money will be disposed of according to the regulations laid down by the Federal Highway Department of the Department of Agriculture in collaboration with the State highway director. Very well. Let us take the \$16,000,000 appropriated to the State of Ohio. The Federal highway director wrote out some regulations, and I have a copy of them here. Here is what they are. First, not more than 50 percent of the funds going to each State shall go to the main market roads. That means the Federal highways. Well, next it provides that not less than 25 percent shall go to the State highways going through municipalities. There is no restriction as to what municipalities are included or excluded. But the language says that not more than 25 percent shall go to secondary or feeder roads; I repeat not more than 25 percent. That means nothing, for all he needs to do is to apply \$1 and that would be a compliance. If the State highway director wants to keep it for his own organization to work on the main thoroughfare, he may do so. I want that language changed so that it shall read "not less than 25 percent shall go to secondary and feeder roads, including rural routes and school bus routes." That is right and that is fair.

Let me put it to a test to show you how it is right and how it is fair. We tested it out in the State of Ohio. Here is the gentleman from Ohio, [Mr. SECREST] whose district adjoins mine, and he knows that I speak the truth. We started a movement in my district. It was started by the rural mail carriers. A very intelligent and up-to-date county engineer in my district, whose name is Mr. Chauncey Fife, started this movement. I want to give him credit, because he was the real originator of this idea. We put this to a test, and some of those interested went to the State highway commissioner to see if he would not give us something on township roads as feeder roads. He interpreted feeder roads to mean State roads that feed into the main-market roads. We maintained that that was not the intention, that was not the interpretation intended, because all of these State highway directors are jealous of their power. They want to distribute the money on the roads over which they have jurisdiction. They do not want to distribute the money on roads over which they have no jurisdiction because their political organization is not strengthened by that kind of a program.

Mr. FULLER. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. FULLER. Is the gentleman reading from the N.I.R.A. when he says that not less than 25 percent?

Mr. JENKINS of Ohio. No; I am reading from the regulations of the National Highway Commission in collaboration with the State commissions. There is nothing in the N.I.R.A. with reference to that.

Mr. FULLER. Oh, there certainly must be. It uses 25 percent—25 percent and 50 percent repeatedly.

Mr. JENKINS of Ohio. No. I beg the gentleman's pardon. It does not say that. That is where the language is lame. It apportions the money to the States, but it does not apportion it after the State gets it. It leaves it to the State highway department. Here is the language:

On which projects shall be submitted by the State highway department and approved by the Secretary of Agriculture.

That is the language. That is not sufficient.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. WHITTINGTON. The allocations were made by regulation, but I am not at all in accord with the gentleman's statement, and I really think he has overstated the matter insofar as the views of the committee are concerned. I want to effectuate the purpose that you have in Ohio. My judgment is that the bill as written will do the very thing the gentleman desires. In this connection I want to call

attention to regulation 4 of the rules and regulations, so as to show that the very thing for which the gentleman is contending may be done without doing an injustice to other States in the Union under existing law.

Mr. FULLER. It is in the rules and regulations, then?

Mr. JENKINS of Ohio. I am reading regulation no. 4.

Mr. WHITTINGTON. But will the gentleman read the latter part of it? The regulation provides for not more than 50 percent for highways, not less than 25 percent for extensions through municipalities, and not more than 25 percent for feeder or secondary roads, and then further provides:

Upon a proper showing by any State that either all needed improvements on extensions of the Federal-aid highway system into and through municipalities can be completed with an expenditure less than 25 percent of the State's apportionment, or that municipal authorities are unable or unwilling to obtain the necessary rights-of-way for needed improvements, or for other reasons, the Secretary of Agriculture may revise the above percentages with reference to such State. The reconstruction of existing facilities that are adequate for traffic shall not be considered needed improvements.

Mr. JENKINS of Ohio. I can answer the gentleman's question by showing the practical method in which it is enforced. The language which the gentleman read does not mean as much as a snap of your finger. The language says "not more than 25 percent." That is captious language. That is language put in there for a particular purpose, so that they are not bound to give anything. It says "not more than 25 percent." We organized our district on this matter—the Rural Carriers' Association, the County Commissioners' Association, and the County Engineers' Association—and we got about 35 counties in southeastern Ohio into our organization, and we went before the Governor of Ohio, and how much do you suppose we were getting out of that \$16,000,000? We were not getting a dime for these little roads. We took 150 citizens right into the main office of the Governor of Ohio. We met his engineers there, and we told them how this was, and we sent a representative down to Washington to the Federal Highway Department. The Federal Highway Department told us they were not going to hold up on that 25 percent but were willing for a liberal interpretation of that. But the director of highways in Ohio wanted to maintain his organization; and that is the way they are everywhere. I can prove that by the testimony of people who have been to see me about my proposed amendment.

I am not asking just for the State of Ohio. North Carolina is interested. There are many States interested in this proposition, because it is a fair proposition. It is a fair road proposition. What is the use letting the State highway director draw up regulations with the force of a law when we know what we want? Let us tell him and not let him tell us. We want 25 percent of this money to go to the school busses, the rural routes, and to the farmers' routes. I have an amendment that is carefully prepared and meets the situation in any State. It has the approval of the rural mail carriers all over the Nation. It has the approval of the school teachers of the Nation. It has the approval of the school children—God bless them. It has the approval of the farmers.

Mr. MAY. So the farmer can drive a dairy wagon into town?

Mr. JENKINS of Ohio. Yes. In most of the Southern States they are called "feeder roads" and "farm-to-market roads." Now, this amendment is not a sectional amendment. It is not a political amendment. It is a question of whether or not you want to say to the county commissioners and township trustees in the out-of-the-way places that you want to arrange that some of this money can be spent on their roads where they can put pick-and-shovel men and teams to work in their own communities, or do you want all the money spent on the main thoroughfares—on the roads that have already been built at \$100,000 a mile? I say it is right and it is fair, and I want the sanction of this committee. I am a little zealous about it because I have been in the

battle to bring justice to groups of the Nation's best people. I have tested it out. It is right and fair and proper.

Mr. WHITTINGTON. I suggest to the gentleman that his grievance is against his State authorities and not against the law, and that you ought not handicap every other State in the Union because you are not getting what you want.

It is not enough to say that the money may be used; we should say that the money must be used.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. TRUAX. Mr. Chairman, every word my colleague from Ohio has uttered is true; and he has not stated the half of it. The same condition exists in northwestern, northeastern, and in every other part of Ohio. We have received practically none of these funds. They have been budgeted so they could be used for further improving the good highways, such as those that run between Cleveland and Cincinnati so that the Governor and his highway director can speed over them in their Lincoln limousines.

Mr. JENKINS of Ohio. Mr. Chairman, I appreciate the force of a committee recommendation. Likewise I appreciate the force of the opposition of the committee. I appreciate the fact that individually I cannot pass this amendment. I do not approach this from the standpoint of politics. I implore you to do this because it will be supported by my Democratic colleagues from Ohio, and there are 18 Democratic Congressmen to 6 Republicans in Ohio. So it will be supported unanimously by the Members from my State; and from the statements made by the gentlemen from California and Arkansas and others, I know there are many Members who want such a provision in the bill.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. DOCKWEILER. In my State we got exactly \$16,000,000, but Los Angeles, with over 40 percent of the unemployed of the State, got only \$2,000,000 of this fund; yet I understand that this is a relief measure.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. FORD. Does the gentleman concede that this bill was originally proposed as a measure of emergency unemployment relief?

Mr. JENKINS of Ohio. Yes.

Mr. FORD. Then, why do we not write into it language that will force the State commissions to spend this money in accordance with the specific instructions of this Congress?

Mr. JENKINS of Ohio. That is what I hold should be done. I thank the gentleman.

Mr. STUBBS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. STUBBS. I come from California. I most certainly shall oppose the gentleman's amendment, because I feel that our highway commissions have adopted reasonable programs and that we should stick by the programs.

Mr. JENKINS of Ohio. Of course, each Member has the right to say what he would like to see done. But not all of us are so fortunate as to have State highway commissions which carried out the obvious intent of the act. The language of the bill should be such as will insure the carrying out of the desires of Congress.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. KENNEY. With the legislation in its present form does not the gentleman feel there is a possibility of shifting the proportion so that the great centers of unemployment may receive a greater share of this fund?

Mr. JENKINS of Ohio. I would be in favor of that, too. [Applause.]

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, 1 year ago last March, when our distinguished President was inaugurated, this country was faced with the problem of increasing the

purchasing power of its citizens. We were also faced with the problem of placing idle men and women to work. In order to carry out this great undertaking it was necessary that the whole country work as a unit, every group and every individual cooperating for the common good of all.

I know of no legislation that has so equitably and fairly benefited all the people alike as has that providing for the improvement of the public roads of the country. This has been the verdict expressed by the people of every one of our 48 States. So it seems that to earmark this fund similar to the way the allotments were made in the bill of last year would meet with the general satisfaction of the American people.

This is an authorization and not an appropriation, and it is necessary that this Congress authorize the roads program now in order that the States may make surveys and prepare necessary plans as each State has machinery already set up to carry on this work.

Practically all of the appropriation of \$400,000,000 for last year has been allotted to the various States and contracts have been let.

The limitation to municipalities of more than 2,500 population has been removed.

I have the honor of being a member of the Roads Committee. There was not a dissenting vote to favorably report this bill.

Practically 90 percent of the money expended on the highways of our Commonwealth goes into labor of different forms, so I know of nothing more beneficial to unemployed which at the same time results in more permanent improvement. Everyone can see the positive and concrete results of the expenditure of this sum granted to the public roads of the various States, and I ask that the Members of this House support this measure. [Applause.]

Mr. CARTWRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Chairman, I want first to address myself for a few minutes to one fundamental change in this law which I believe will be of advantage to every State in the Union, and that is the removing of the limitation of \$15,000 as the amount the Federal Government may spend for each mile of road. In the State of Ohio a few years ago when times were prosperous we realized large sums of money from collections of the gasoline tax, and at that time in the building of a road the Federal Government could give us a maximum of \$15,000 per mile. We took that \$15,000 per mile and put with it enough of our State highway money to complete the road. In other words, if a road cost \$60,000 per mile, of this sum \$15,000 would be furnished by the Federal Government and \$45,000 by the State government. The same thing was true in every State of the Union. Today gasoline-tax revenue has fallen off and we find in our State that we have obligated nearly every dime of our gasoline-tax money in order to receive Federal aid, and because of this we have but little money left for the improvement of the rural or smaller State roads. This bill will permit the Federal Government to spend more money per mile and the State less. It will be a real help to the rural sections of our country.

When the original public works bill was passed carrying the road appropriation with it I voted for it gladly. That provision carried a limitation that 25 percent of the fund should or could be spent on feeder roads. In Mississippi and many other States this was interpreted intelligently and 25 percent of the money was spent on the rural roads by the highway departments. However, under the terms of that bill it was not necessary to spend the entire 25 percent on county or township roads.

In the State of Ohio, where we were given an allotment of \$16,000,000, we were entitled to \$4,000,000 to be spent on roads in the rural sections of the State. As an actual fact, we received but \$600,000, and the rest was spent on other types of roads.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SECREST. I yield.

Mr. JENKINS of Ohio. And that is the reason causing our opposition to this bill and why we are all insisting upon the money being definitely earmarked. Not only are the rural sections of Mississippi and a few other States entitled to share in all the advantages of the National Industrial Recovery Act, but every rural section of the United States is entitled to share likewise.

Mr. SECREST. We are asking that you cooperate as nearly as you can with the State of Ohio in order that our people may be assured that 25 percent of this appropriation which I shall vote for today may be used on school bus routes, mail routes, and other rural roads because of the fact we find our appropriations for these roads gradually reduced.

May I also call your attention to one other thing? Under the C.W.A. program, in nearly every rural county of Ohio, and throughout the United States, rural roads were selected and men were placed to work improving them. We find today that with the curtailment of C.W.A. many rural roads that have been graded and partially completed stand there awaiting some further action or further appropriation. As I see it, this is the only opportunity we will get to complete these roads. This is not a problem alone of my district, but a problem of all other districts in the United States. I expect to vote for this bill, and hope that this amendment will be adopted for the benefit of countless people who live in the rural sections of our country and who look to us to fight for their common good.

Mr. WILLFORD. Will the gentleman yield?

Mr. SECREST. I yield.

Mr. WILLFORD. On the floor of the House the other day we spoke about advancing so much money per mile for rural letter carriers, which amounted to some \$4,300,000. If we may spend this money to develop the rural carrier routes we can reduce the mileage and the upkeep of the rural carriers' vehicles.

Mr. SECREST. I dare say that this one amendment alone will make up for any additional appropriation we may make on behalf of carriers or other employees.

I hope the committee will consider and discuss the matter and accept this amendment. I feel it will hurt no State and will help practically every State in the Union. I believe that these two things alone would make it worthy of anyone's support. [Applause.]

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Chairman, I yield the gentleman from Mississippi [Mr. COLLINS] such time as he may desire.

Mr. COLLINS of Mississippi. Mr. Chairman, communications in this country over vast distances and enormously populated areas have been made possible by our extensive highway systems. Our country is indeed a country of highways, and this vast network has been made possible not by State action alone but by Federal aid to the States.

In the past the 50-50 basis has been adhered to. Since the depression the State contribution has necessarily been eliminated but the Federal has been increased. Regardless of State contributions, I am firmly convinced that Federal aid to our highways should be continued. An outline of recent activities in the highway system should not be overlooked.

Development of this extensive and improved highway system has involved tremendous expenditure. In the period between 1915-25 the most rapidly expanding governmental function was the construction and maintenance of highways. In 1915 a total of \$447,000,000; in 1929, \$1,958,000,000. From 1923 to 1931 about \$12,000,000,000 was approved for highways, of which amount 57 percent for new construction, 28 percent for maintenance, and the remainder for administration. In this development Federal aid has been beneficial in two ways: As a stimulous to increasing State expenditure and by actual contributions.

A review of Federal aid for 1934 is most instructive. The total expenditure of Public Works funds for highways as of January 31 of this year was \$394,000,000, of which amount over \$15,000,000 on part of 12,000 miles under con-

struction, and about \$81,000,000 for 117,000 miles approved for construction.

These vast sums have had an enormous influence on the development of the country and for this reason have convinced me that assistance should be continued.

Road construction is one of the most immediate ways of relieving unemployment. During the past 6 months there were nearly 6,000 employees working on roads financed from Federal aid appropriation. All new road work is being financed by the Federal Government—taken from Public Works funds—as all previous appropriation funds for this purpose have been exhausted. There were, during January and February of this year, about 10,000 at work. Reports showed in February that there were almost 4,000 highway projects under construction, with a total estimated cost of about \$213,000,000, thus giving employment to 126,000 men. In addition there were 681 highway projects completed. The \$400,000,000 highway fund was approximately divided. According to the actual valuation, roads on the Federal aid highway system 50 percent, extensions of main routes through municipalities 25 percent, and secondary or feeder roads 25 percent. In this way employment was spread throughout the States. If we should fail to secure grants to roads in this Congress it would have a disastrous effect upon highway construction workers for it is readily seen that almost 90 percent of the allotment goes into labor. It is estimated that for every person directly employed on the road work two others are employed on the average in the manufacture and transportation of road materials and equipment. Federal expenditures, having for their objective the development of this country and at the same time the employment of men and women who want to work, have received my unqualified support during my work in Congress and shall continue to be the object of my solicitude.

Highway construction is self-liquidating. The manufacturers' sales tax on motor vehicles and the gasoline tax actually exceed the amount of Federal money allotted to highway construction, so that this amount is returned to assist in financing road construction. Abandoned or curtailed now, no real construction is expected. In 1933 the Public Works Act appropriated \$3,300,000,000. Of this amount there was ear-marked for public highways \$400,000,000, which will be used up before next session of Congress. I am taking this opportunity to urge that Congress seriously consider that funds, in addition to those already set aside, be appropriated, so that during 1935 better roads may be constructed, unemployment figures decreased, the morale of our citizens raised, a frontal attack made on the depression and general prosperity assisted throughout our land.

It will indeed be a serious blow to the country if this Congress adjourns without passing the appropriation of \$460,000,000 for highway construction. The whole amount should be carried in the last deficiency bill and if I am not tied down with a rule that forbids the offering of such an amendment, I will give the Congress the opportunity to provide these necessary funds.

Mr. CARTWRIGHT. Mr. Chairman, I yield such time as the gentleman from Texas [Mr. JOHNSON] may require.

Mr. JOHNSON of Texas. This bill, which authorizes the appropriation of \$400,000,000 for the construction of public highways, is, in my judgment, one of the very best emergency relief measures which Congress could pass. It will put more men to work in quicker time and leave as a result of their work permanent and needed improvements in every State, which the entire citizenship will both use and enjoy.

In all of the vast expenditures of the Federal Government that which is expended for public highways brings more direct benefit to the citizens of the United States than any other.

The Government is expending large sums of money in a building program throughout the United States to put the unemployed to work. According to Mr. Thomas H. MacDonald, Chief of the Bureau of Public Roads, of the funds expended for highways, about 80 to 85 percent goes into labor or employment of some kind.

Such a high percentage for labor will not be found in any other type of public construction. The celerity with which highway funds are expended is in striking contrast with the amounts allocated for other construction work by the Government.

The act approved June 16, 1933, appropriated \$400,000,000 for public roads, and every State in the Union has already realized benefits therefrom, while of the remaining amount appropriated for other public construction very little has yet been expended.

According to Mr. MacDonald's testimony before the Committee on Roads, in the summer of 1934, when the Bureau expects to have 280,000 continuous jobs going, it is estimated that 1,350,000 men will be employed by the Federal and State highway programs.

Another advantage that the highway-construction program has over other kinds of building projects is due to the fact that each State has its highway commission already organized, and these commissions, cooperating with the Bureau of Public Roads, are prepared to begin construction immediately and intelligently, whereas other public works require considerable time in setting up personnel, in passing upon the individual projects, and as a result their construction is greatly delayed, as has been clearly demonstrated during the past year.

In Texas, of the \$24,000,000 allocated to Texas last year, on March 2 of this year Mr. Gibb Gilchrist, State highway engineer, wrote me as follows:

We have already awarded 359 projects and have 35 additional ones due for bids, this work being spread over 226 counties (89 percent) at this time and involving a total of \$20,379,014.04.

Mr. Gilchrist also stated in his letter to me of that date that by April 15 he thought the entire program for Texas would be contracted.

So far as I am informed, not one penny of money allocated for other public works at the same time the appropriation for roads was made has been expended in Texas.

Those from the thickly populated States who oppose this measure, on the ground that their States will not receive as large a sum as some of the newer and undeveloped States, manifest selfishness and shortsightedness. It is to the interest of the entire Nation that highways be improved in every State in the Union, and the Government has for years had a most equitable plan of distributing these funds, taking into consideration three elements: Population, area, and aggregate mileage of rural routes.

In the younger and more sparsely settled States the need is obviously greater than in the older and more highly developed States. To illustrate, Texas ranks thirty-ninth among the States in proportion of improved State highways. Only 63 percent of her State system is improved at all, and only 23 percent is paved in any manner. For comparison: California has 75 percent; Illinois, 78 percent; Pennsylvania, 83 percent; Ohio, 99 percent; North Carolina, 89 percent; and West Virginia, 79 percent. Our entire section, from Nebraska south and Georgia west, lags far behind, and even in this area half a dozen States surpass Texas in improvement.

I am indebted to Mr. W. O. Huggins, president of the Texas Good Roads Association, for this thought:

The situation in Texas is aggravated by the fact that, given reasonable road improvement, Texas will be the focal point for North America's motor travel in the next 3 years. Already the magnificent new Pan American Highway from Laredo to Mexico City is passable, and beginning next year it will draw millions of vacationers. Colliers and Cosmopolitan magazines have already had feature articles about the trip, and it is expected to get remarkable publicity. In addition, Texas' own centennial in 1936 is sure to be a tourist magnet of first rank; and while motor touring has declined, due to the depression, we must remember that 42 percent more automobiles were sold in 1933 than in 1932.

That Texas will receive more funds under this bill than any other State is due to the fact that we have the largest area, hence the greatest road mileage, and our needs are

therefore greatest. The highways in Texas will be used and enjoyed, not only by the citizens of our State but tourists from every State in the Union.

I trust that the equitable and just method of allocating funds to the various States, based upon area, population, and road mileage, which method we have used for many years, will be continued under this bill, and that any effort to change that method may be defeated by the House. This bill should pass by an overwhelming majority.

Mr. WOLCOTT. Mr. Chairman, I yield 8 minutes to the gentleman from California [Mr. EVANS].

Mr. EVANS. Mr. Chairman, I shall vote for this measure as I voted for the measure a year ago, providing for the same general purpose. May I say just one or two things with all the emphasis that I am able to bring forth that in order that this money may be expended and reach the purpose for which it is being appropriated some amendments, and especially one amendment, should be made to this bill. Unless such an amendment as I have in mind is adopted, then so far as California is concerned, the money appropriated under this bill will go far wide of its purpose, as it did last year.

Mr. Chairman, we have in Los Angeles County today, and this is just 1 county of 58 counties in the State of California, according to the records of the Relief Bureau in Washington, under Mr. Hopkins, not my figures, but those of the Bureau, approximately 500,000 men, women, and children living from daily aid. That is more people than live in the District of Columbia altogether, in one county alone. There are people there on the daily aid list, I dare say, from every congressional district of the United States with the possibility of a few exceptions. People naturally gravitate to that section by reason of the warm climatic condition where they may live as they believe under favorable circumstances. I repeat that 500,000 men, women, and children are on the daily aid list in one county.

Of the \$16,000,000 that was allocated to California under this bill last year, Los Angeles County, with 49 percent of all the unemployed in the State of California, according to official figures, got 13.45 percent of the money allocated to that State, and that is exactly the way this thing is going to operate this year unless the amendment which will be offered by the gentleman from California [Mr. FORD] is adopted. I sincerely hope when the amendment is offered that it will be accepted.

Mr. FULLER. What amendment is that?

Mr. EVANS. The amendment which will be offered by the gentleman from California [Mr. FORD].

Mr. FULLER. Is that the same as the amendment of the gentleman from Ohio [Mr. JENKINS]?

Mr. EVANS. I do not know. I was not here when Mr. JENKINS spoke. I will state to the gentleman the substance of the amendment. It will provide that the money allocated to the States shall be distributed on the basis of unemployment in the political subdivisions of the State. I am not exactly familiar with the wording, but that is the substance of the amendment. The county or other political subdivision of the State should be the unit for allocation of the funds, based on unemployment.

There can be nothing wrong, nothing unfair, or inequitable in that at all. This will place the money right where we want to place it. How can employment be relieved in Los Angeles County unless the money goes there?

Mr. BLANCHARD. Will the gentleman yield?

Mr. EVANS. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. This amendment will not disturb the allocation to the States on the basis of population?

Mr. EVANS. Not at all. It leaves the allocations undisturbed in the States, but makes it mandatory that the money go where the unemployment is located.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. EVANS. I yield to my colleague from California.

Mr. DOCKWEILER. I am afraid the gentleman may overlook this point, and I want to bring it out: California cannot help itself, and the State highway commission cannot help itself in the way it must allocate this money. It

could not help last year, giving us only \$2,000,000 out of the \$16,000,000, because of the state of the law that requires the commission to distribute the money according to the law of the State, which was the former method of distribution of the gasoline tax.

Mr. EVANS. The gentleman from California is exactly correct. That condition prevailed last year under this allocation, notwithstanding the provision of the emergency law of 1933 allocating this fund, which is as follows:

In selecting counties in which the projects are to be allocated, consideration shall be given to the relative need for employment in such counties.

We want to make this provision mandatory.

That was written into the law last year, but the California State Highway Commission and other authorities considered that merely advisory, so we want a provision this year with some teeth in it. The people of Los Angeles County cannot bear the expense of feeding this large army of unemployed. In large measure they are not citizens of that community, but there simply as sojourners—migratory.

Mr. DOWELL and Mr. WARREN rose.

Mr. EVANS. I yield first to the gentleman from Iowa.

Mr. DOWELL. I was simply going to suggest to the gentleman that he have teeth put in the laws of his own State and have the highway commission do what the people of the State want it to do.

Mr. EVANS. But the Legislature of the State of California is not in session, and the California State highway law was enacted years ago with no matter of unemployment in mind.

Mr. DOWELL. We certainly ought not to amend general laws here for the purpose of having States do the things that the people of that State want done.

Mr. EVANS. You are not amending any permanent law. This is an emergency provision for the allocation of this fund, and the proposed amendment can be accepted without disturbing the permanent Federal highway law. It would apply to this emergency measure only.

Mr. WARREN. Will the gentleman yield?

Mr. EVANS. I yield to the gentleman from North Carolina.

Mr. WARREN. I did not understand the gentleman, when he first got up, to say whether he was in favor of this measure or opposed to it.

Mr. EVANS. I first said I was in favor of the measure. I shall vote for the bill.

Mr. WARREN. We might as well have it understood in the very beginning that if such an amendment as the gentleman has discussed is adopted, of course, it will completely wreck and destroy the entire measure and cause me to vote against it, along with many others who are interested in the bill.

Mr. EVANS. May I ask how such an amendment will destroy the bill?

Mr. WARREN. Because you are trying to change the entire system of allocation and putting it on an entirely different basis. Personally, I do not think the amendment is germane to the bill, and I shall make a point of order against it if it is offered. If you want to wreck the bill, adopt such an amendment, and in that event, we might as well table the entire measure.

Mr. EVANS. I entirely disagree with the gentleman that it will injure the bill at all. In my opinion it will perfect the purpose of the bill.

Mr. HENNEY. Will the gentleman yield?

Mr. EVANS. I yield.

Mr. HENNEY. Did I understand the gentleman to say that under the proposed amendment 49 percent of the funds allocated to the State of California would be expended in Los Angeles County?

Mr. EVANS. Not necessarily. I stated that 49 percent of the unemployment is located in Los Angeles County, and we got only 13 percent of the fund that was allocated last year, and that will be the case again this year unless some direction such as I suggest is put in the bill.

Mr. HENNEY. I understood that, and it seems to me it would be entirely unfair to the rural communities that help to pay the taxes and need the improved roads to allocate the money in that way.

Mr. EVANS. This money is to be allocated for unemployment purposes.

Mr. HENNEY. In my State there is plenty of unemployment in the rural communities. All of the unemployment is not in the cities.

Mr. EVANS. I quite agree with the gentleman, and I think it would be wise also if some plan could be written in the bill by which the unemployment that is concentrated in the large cities could be drawn back to the rural communities, where these roads are needed worse than they are in the big congested sections. If this could be done, I think the money should be spent there. But what are you going to do about the big unemployment groups in the centers of population?

Mr. HENNEY. I certainly think the money should be distributed in the communities where the roads are needed.

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, during the time I have served in Congress, until I was recently elected a member of the Ways and Means Committee, I have served on this Roads Committee. Ever since we have been appropriating money to the State and Federal Governments for roads I have taken an active interest in the matter.

I feel a great interest in this particular measure. I think it will do more to build up the country and give relief than any other measure we could possibly think of. In the breakdown of a dollar spent in this way, from 85 to 90 percent of the dollar goes to labor. It not only goes to the labor that works upon the road but it also goes to the labor that hauls materials on the freight trains and to the workers in the cement factories, in the quarries, and everywhere else. It also creates a demand for the buying of equipment with which to do this work.

It not only does this but it also builds up the community and leaves a monument to the money that has been appropriated. It is not like a lot of this C.W.A. work, where we went out in an emergency and endeavored to give employment and in order to give such relief paid very little attention and devoted very little time to the formation of proper rules and regulations. We did not have time to formulate substantial projects. The money was paid to men to perform labor which in many instances left little substantial benefits. This was done just in order to give them work and a little money to allow them to get by and keep from starving and to help them clothe themselves and their families.

This road program is worked out on a real system, and the work done will leave a monument that will be of benefit to the people of the Nation.

Mr. FORD. Is the gentleman interested in monuments or in human beings who are out of work?

Mr. FULLER. I am interested in both. Why does the gentleman ask such a question?

Mr. FORD. I am not interested in building monuments now; I am interested in giving work to people where the unemployment is great.

Mr. FULLER. The gentleman's question is not germane to my argument that when you build these roads you leave a monument for the money you have spent and relieve unemployment.

Mr. SABATH. Will the gentleman yield?

Mr. FULLER. Yes.

Mr. SABATH. If that is the intent of the legislation, why not put in a provision that will provide employment in the districts where unemployment is the greatest?

Mr. FULLER. I rather agree with the gentleman from North Carolina [Mr. WARREN], although I can see the force of the argument of the gentleman from California and others about having it allocated in the communities where unemployment is greatest; but that is a local matter. If

you have not people in whom you have confidence running your highway departments, you ought to put some pressure back of them and make them do right. They are not in line with this administration or the new deal or the best thought in your own State as to what ought to be done. We cannot remedy all of those matters. We cannot cover up every little gap here, and I am rather of the opinion that you would change the organic law by procedure of that kind. However, I do believe that this money should be spent in the communities where men are out of employment and where the necessity for taking care of the people is the greatest.

The only authority we have under the Constitution to appropriate money for roads is that provision that provides for rural mail routes. We have to provide the money, and yet, do you know, my colleagues, a great portion of the money has been spent for building turnpikes—military roads—from one end of the country to the other. Well, that is right; that is the only way we have to build them. It gives the main traveled ways from the Atlantic to the Pacific and from the Gulf to Canada. But we have got these roads pretty well built.

Mr. PARSONS. Will the gentleman yield?

Mr. FULLER. I yield.

Mr. PARSONS. Does the gentleman hold that this bill has any chance of being passed and getting the money to build the roads?

Mr. FULLER. This is only an authorization, and we know the views of the administration. It is true the President may not favor as much as the Congress demands, but we are hopeful. We hope that we will get a large sum. We will have it earmarked in the bill, not only the \$400,000,000 authorized but the \$60,000,000.

Now, I want to say to you that it is time you were looking after the feeder roads, when we go back to the forks of the creeks, where people are out of employment. We have not had any trouble in our State because of the requirement of 25 percent for the feeder roads, 25 percent for city paving, and 50 percent for Federal highways. We want the highway departments to know that this Congress demands that this 25 percent be spent on rural and farm-to-market roads and not on high-class State roads.

Well, if in Ohio they do not do what is contemplated by the rules and regulations, what is the matter with earmarking it and saying that they shall not use more than 25 percent for this purpose and 25 percent for the other, and so forth?

Now, here is an amendment I am going to offer: On line 8, page 2:

Provided, That not less than 25 percent of the allotment of this appropriation shall be applied to secondary or feeder roads, including farm-to-market roads, Rural Free Delivery mail roads, the public-school and bus roads.

There is no reason why this amendment should not be adopted; it does not hurt the bill in any way but improves the same.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I think this bill goes altogether too far with the road question. I think it provides for more money than we ought to spend at this time and more money than will be expended efficiently. I call attention to several situations that exist throughout the country. There is just one argument for the bill, and that is that the expenditure that is provided probably will not be any worse than the other expenditures that are going to be provided in the so-called "relief work." I was very much interested in what the gentleman from Oklahoma [Mr. CARTWRIGHT] said when he opened the debate on this bill—that first we appropriated \$100,000,000 in the nature of emergency relief for roads, and then we got up to \$120,000,000, and all the time conditions got worse. Now, we got up to \$400,000,000 last year besides the regular appropriations, and this year we are proposing \$450,000,000, and unemployment conditions are getting worse. If we want to keep them getting worse right along, we want to go right on

with our spending program. Things are not going to get better until the Government takes hold of itself and stops this spending program.

It has been said that these things provide a lot of employment. Let us take the hearings and figure the thing out and see for ourselves whether they do or not.

Mr. MacDonald, on page 1, said:

So that in the summer of 1924, at the peak, when we have 280,000 continuous jobs going, we will reach, with the supplementary employment added, about 1,350,000 employed by the Federal and State highway program.

For that summer there is a hold-over of approximately \$200,000,000 of the \$400,000,000 allocated in the N.I.R.A. bill for roads. There is \$30,000,000 of the appropriation that is made in the agricultural appropriation bill, as I remember it. There will be large amounts, probably fifty to one hundred million dollars, appropriated by the States. There will be, probably, if this bill goes through, \$200,000,000 of this, so that there will be available for this job approximately \$450,000,000 to \$500,000,000, and with \$450,000,000 to \$500,000,000 we have 1,354,000 people employed, at a cost of \$3,000 per man to put one man to work, and that will not be continuous employment through the year either.

That is the situation you are working to, and that is the headway that you are making in this thing.

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

Mr. TABER. I decline to yield. I have three or four things I want to explain to the House. If I have any time, I shall do it later. On top of that, instead of going ahead with the kind of roads that are worst needed—and, frankly, most all of our main highways are pretty well built throughout the country—we are going ahead in many places with solid, high-priced concrete roads, where cold-pack roads would be better and provide more employment and not cost so much. We are spending so everlastingly much money that there is no way out of this depression for the Government or the people if we go on piling up this burden on our taxpayers. Let us use a little sense about it. If we authorize \$200,000,000, we would be going a long way. I am going to suggest when we get to that point that we cut that authorization down to \$200,000,000 instead of having it at \$400,000,000.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. TABER. In a moment. I am going to suggest cutting down this item for roads and trails and that sort of thing, and I think we are going pretty far in this authorization of \$10,000,000 for emergency relief work, available for expenditure by the Secretary of Agriculture in his discretion. In the past, when there has been anything in the nature of an emergency, where people could not take care of themselves, they have come to the Congress, and the Congress has acted upon it. Is it not time that we stop delegating to somebody else the power to determine whether we should appropriate money? That is the curse of the situation that we are in at this time. Congress has given up almost all of its authority to appropriate money, and we ought to stop that kind of thing and take care of our own job and do our own work instead of turning it over to somebody else. The President cannot look after these things. He has to delegate them to somebody else. The result of the situation is that the delegation is made to somebody who does not know half as much about it as Congress knows with the experience that it has had.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MOTT. Is it not true that in appropriating or earmarking this money we are recapturing our jurisdiction, and instead of letting the Director of Public Works say how the \$400,000,000 shall be expended, we say in this bill how it shall be expended?

Mr. TABER. We did that last year on the \$400,000,000 for roads. That part was taken care of in the same way, with practically the same language, but we do allot a great amount of money to public works for general allotment. What is going to be proposed this year when the bill comes

in I do not know. No one knows. It has not been taken up for consideration.

Mr. MOTT. The gentleman is quite satisfied that a public works bill will be passed at this session of Congress?

Mr. TABER. Oh, I should not expect so.

Mr. MOTT. Would not the gentleman rather have the \$400,000,000 of that put into roads than to leave it in the discretion of the Public Works to administer?

Mr. TABER. That is the only argument for this bill. It is too much money for us to spend, and if we do not stop spending so much money on this sort of thing we are never going to get out of the depression. If we go on spending this money and more money and more money we will just make the depression worse and get the people deeper into the slough, and we will never get out of it by spending.

Mr. MOTT. The gentleman's argument might better be made against the Public Works bill than against this bill.

Mr. TABER. It will be directed against the Public Works bill when it comes out, I do not have any doubt, if I am able to be here, and I expect to be here.

Mr. ELTSE of California. Will the gentleman yield?

Mr. TABER. I yield.

Mr. ELTSE of California. If this is reduced to \$200,000,000, will that not also cause a reduction in the P.W.A. appropriation?

Mr. TABER. I should hope so.

Mr. ELTSE of California. So that it does not follow that we have to vote this in order to get that much out of the general appropriation for P.W.A., does it?

Mr. TABER. Of course, the general appropriation for P.W.A. will probably come in under a rule, and I do not know what it will be proposed to do. I will not favor anything in that bill which delegates to anybody else any authority as to how it shall be spent where Congress is responsible for that delegation. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. CARTWRIGHT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Chairman, I think we all realize that this is the day of national planning. If I interpreted the newspaper article correctly the other day, our President is thinking in terms of national planning. We have a National Bureau of Public Roads. We have State highway commissions. They have programs of highway building. In driving across the continent and up and down my State I have decided that they have, at least up to this time, done a splendid job in that planning. I know they are doing a splendid work, and I think it would be a mistake for this Congress to cumber this piece of legislation with a group of amendments that would destroy the planning of our State and National highway authorities.

I am opposed not only to the amendment of the gentleman from Ohio [Mr. JENKINS] but to the proposed amendment of my colleague from California [Mr. FORD]. The gentleman from California ought to realize that all roads run into Los Angeles from California, and I think he does realize it. I represent the great middle part of the State of California, a large area. The gentleman from California [Mr. FORD] realizes that in the planning out over a number of years, the Highway Commission means to take care of the rural districts of California. So I am opposed to this amendment because I think it will weaken the legislation.

I am heartily in favor of earmarking this \$400,000,000 for highway construction. [Applause.]

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Chairman, I yield 1 minute to the lady from Arizona [Mrs. GREENWAY].

Mrs. GREENWAY. Mr. Chairman, we have approximately 42,000 heads of families unemployed in my State out of a voting population of 153,000. Those men who work on the roads are the men who have kept their courage and their morale, because they have received legitimate, sound wages, and they know that they have a job that belongs to a man, in building the arteries and veins of the Nation. I feel that everyone of us should jump at the chance to vote

for a bill that gives our friends who have no way of earning their living, a program affording the right to earn as men like to. [Applause.]

Mr. CARTWRIGHT. Mr. Chairman, I yield 4 minutes to the gentleman from Arkansas [Mr. TERRY].

Mr. TERRY of Arkansas. Mr. Chairman, I endorse what the distinguished gentlewoman from Arizona [Mrs. GREENWAY] has said with reference to the employment that will be given by this program to those people who need it most. I think the road-building program, one nationally devised and supplemented by the advice of State highway commissions of the various States, is one that will go furthest in providing employment for the people of our Nation who need it now. I believe the time has come when the highways are more than a State problem. On account of the speed of automobiles you can go through more than one State in a single day or night. Our roads have become nationalized.

It is the duty of the Government to aid in the building of those roads. When we are seeking to provide emergency relief we should take those methods which will add to the permanency of the improvements of the country, and in no way will we find where money will be more widely distributed than in a road-building program. By this method you provide work in every nook and corner of every county in every State in the United States. This work which we seek to do now is not merely raking leaves from one side of the road to the other, but it is permanent work; work that will be there in the years to come when we shall have come back to prosperous days.

I am in favor of the amendment that was offered by the gentleman from Ohio [Mr. JENKINS]. I believe that as far as possible we should go out in the crossroads and provide work for the people there. In building these farm-to-market roads, I think it is proper to provide that a certain specific part of this money shall go to the feeder roads, the farm-to-market roads. If Ohio or any other State is not permitted by its highway commission to accomplish those purposes which the gentleman from Ohio related, I say it should be the duty of the Congress to see that that is done so that feeder roads may be provided for.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. TERRY] has expired.

Mr. CARTWRIGHT. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. Sisson].

Mr. Sisson. Mr. Chairman, I am in favor of the bill in the form in which it was reported by the committee. I am in favor of the bill even though I represent a district of the State of New York, the most populous State in the Union, the State incidentally which will contribute the greatest amount to the Federal Treasury. I am in favor of the bill because I think it is a national project and I do not believe we should resolve the question upon any narrow or sectional lines. The fact that Texas is larger than New York, that Oklahoma may not be so rich in resources, and that because of these facts these States may get a larger proportion of the money than my own State, does not deter the people of my district and of my State from wishing me to register my vote in favor of a national project.

We are not a sectional nation. I shall be very happy if some of this money will go to the States that need it, because we are using those roads, and indirectly the money will react to the benefit of employment in the State of New York. Not only will money be spent for actual road work in New York State but employment will be furnished indirectly through the manufacture of machinery and materials for road building.

The gentleman from Texas [Mr. BLANTON] spoke this morning in favor of an amendment that would limit the relief to be extended under this bill to citizens of the United States. I appreciate that, perhaps, in some sections there exists what amounts to contract labor, and I am willing to support the gentleman's amendment, provided it is qualified to allow the benefits to be extended to aliens who have filed a declaration of intention to become citizens.

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

Mr. Sisson. I yield.

Mr. WHITTINGTON. Both of those matters are taken care of by existing law.

Mr. Sisson. There are aliens in my district for whom we have to care—people who have filed declarations of intention—and in this respect I think they should be treated as citizens.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 7 minutes to the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. Mr. Chairman, perhaps it is unnecessary to say more with reference to this legislation, but I want to emphasize, if I may, the fact that no money expended by the Government is more equitably distributed amongst the people than the money which goes for road building. In every State of the Union there is a highway department well organized and well equipped to take care of the road work in that State. There will be, in my judgment, less waste of appropriations for the construction of highways than there will be of appropriations for almost any other purpose. This gives to the man who seeks employment a job where he can earn pay for the support of his family.

It is my judgment that more economy in its expenditure and better results from its expenditure will come from road construction than from almost any other construction work for which appropriations are made by Congress.

I wish now to say a word with regard to the amendment proposed by the gentleman from Ohio, but first I want to refer to the gentleman from Massachusetts. Up in Massachusetts they have only short roads; most of them have been constructed; and, therefore, the gentleman from Massachusetts does not need more roads.

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

Mr. DOWELL. Certainly.

Mr. MARTIN of Massachusetts. I am not opposed to road building. I believe we ought to spend a reasonable amount for this purpose; but I say that when we make an appropriation for road building it ought to be made under a road-building program and not under the cloak of being a measure for the relief of unemployment.

Mr. DOWELL. Mr. Chairman, I come now to the amendment of the gentleman from Ohio [Mr. JENKINS]. I really hope the amendment he intends to offer will be adopted. This bill has for its purpose the building of roads where they are needed, and where they will be used by the farmers to bring their produce to market. When this road system was first inaugurated the roads were known as the farm-to-market roads. And I hope the amendment will be adopted.

[Here the gavel fell.]

Mr. WOLCOTT. I yield 5 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, I am in sympathy with the thought that if there is to be a large appropriation for public works, as much of that appropriation as possible should be for road building, because I am informed that money expended for road building gives more employment to labor than in any other kind of public works. Nevertheless, I have some misgivings about this measure, and I am wondering whether we have thus far made a sufficiently careful survey of the probable relief needs of the country during the next year to be able to make any definite allocation of relief funds at this time.

I am led to ask that question by the deplorable condition which exists at the present time in the section of the country in which I live, the Middle West. At this very moment a cloud of dust 1,500 miles long, 900 miles wide, and 2 miles high is sweeping over this city, and we are informed that it comes from the Dakotas. Yesterday Dr. Willis R. Clegg, Chief of the United States Weather Bureau, made the statement that the present drought in the Middle West breaks the record of all time; and at the same time the United States

Department of Agriculture made the statement that the hay crop will be smaller this year than it has been for 50 years. The present indication is that in large areas there will be no small grain whatever raised this year, and unless rain comes soon, no corn.

Only this week Dr. Coffey, dean of the College of Agriculture of the University of Minnesota, told me that he had recently visited Lincoln County in western Minnesota and had found conditions that beggar description. One farmer, with many horses, cattle, and chickens to feed, had no grain on the premises except two bushels of wheat, and no forage except some straw. On one farm the cattle were trying to sustain life by salvaging feed from manure piles. Farmers were working their fields with horses so weakened and emaciated that anyone putting a harness on them under ordinary conditions would have been prosecuted by the Society for the Prevention of Cruelty to Animals.

Such is the situation with which we are confronted in the great middle western region. I fear that before next year's crop can be matured we shall be called upon to provide the means of sustenance, not for thousands, but for hundreds of thousands of people in that midwestern empire. In the large cities of the country there is a condition of unemployment that will probably test to the utmost the capacity of the people of this Nation to prevent actual starvation and privation.

The situation is one that should challenge the conscience of the Congress. The administrative officials of the Government have made contributions from the regular \$950,000,000 appropriation for relief of distress in the Middle West, but what they have been able to do is not enough. The amount of feed doled out has been pitifully inadequate. There should be no attempt to disguise the fact that heroic measures will have to be taken to prevent a major catastrophe during the next year, a catastrophe that will give the Nation a blow from which it may take a generation to recover. It is my conviction that we should quit frittering away the resources and credit of the Government by expending billions of dollars for expensive buildings and such other forms of public works as give the minimum of relief to the unemployed, considering the amounts invested, and that we should husband the Nation's borrowing and taxing power in order to make it go as far as possible in preventing actual privation.

The depression is not over. It is due to be with us for a long time, and we should not deceive ourselves. I would urge upon the appropriate committee of this House to begin immediately to reconsider the whole relief problem, to recast our policy on a long-time basis, acting on the presumption that the march back to normality has hardly begun.

[Here the gavel fell.]

Mr. WOLCOTT. I yield the gentleman 3 additional minutes.

Mr. CHRISTIANSON. I am not in sympathy with the proposal to appropriate \$10,000,000,000 or some other fantastic or extravagant amount. Such an expenditure would leave us with an aftermath of debt that would prolong the depression, exhaust national debt, and force us speedily into unmanageable inflation. Let us, on the other hand, so recast our policy and methods of relief that every dollar of the taxpayer's money spent provides 100 cents' worth of the necessities of life, that no one may want. The end of the session is approaching, and there is no time to lose. We cannot afford to adjourn, we must not adjourn until we have provided the means and outlined the policy necessary to avert the greatest calamity that ever confronted the American people in peace or in war. We must provide means and outline a policy that will make it possible for millions of distressed people in this country to live; and we shall not meet that responsibility, in my opinion, unless we adopt a plan that will make the money available do its utmost in effective assistance to the people.

In general I favor this above all other appropriations for public works, because in road construction \$3,000 keeps a man employed a year, whereas in the erection of needless and extravagant public buildings it takes \$5,600 to give

a laborer a year's employment. But I am wondering whether even this does not involve a program the American people cannot afford at this time, in view of the unusual demands this critical condition has imposed and is due to continue to impose upon us. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield 1½ minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, this bill is an emergency measure to increase employment through the authorization of additional appropriations to provide for the construction of public highways and related projects.

It follows very closely the provisions of section 204 of the National Industrial Recovery Act, approved June 16, 1933. In that act the President, from the \$3,300,000,000 made available for emergency purposes, was authorized to make grants to the highway departments of the several States in an amount not less than \$400,000,000 to be expended by such departments in accordance with the provisions of the Federal Highway Act approved November 9, 1921.

The hearings disclose that approximately all of this money has or will be allocated, perhaps before this bill becomes a law.

The National Industrial Recovery Act changes the formula of apportionment of the funds to the several States, and this bill follows that apportionment so that the money will be apportioned as follows: Ten twenty-fourths on population, seven twenty-fourths on area, and seven twenty-fourths on mileage. Under legislation enacted prior to passage of that act, it was apportioned one third each on population, area, and mileage.

In my judgment, the expenditure of public funds through the improvement of highways relieves more unemployment, reaches more people, and does more permanent good than through the expenditure of any other money made available by the National Industrial Recovery Act. That act, subsection 2, provides for expenditures in emergency construction on secondary or feeder roads, to be agreed upon by the highway departments of the States and the Secretary of Agriculture.

I should like to see more of the funds authorized to be appropriated by this bill allocated to the construction of secondary or feeder roads. If I had the writing of this bill, I would make it mandatory to apportion the money so that a part of it would be expended on every road used by rural mail routes and star routes.

If you will take a map of the respective States and congressional districts, and examine the rural and star routes over which mail is carried, you will find that they traverse all the populous and more productive rural areas and connect them with the marketing centers. If more money were expended on these roads it would enable every farmer to remain at home and secure a share of this work. This would connect up all rural communities with the marketing centers, would add to the value of all farm lands, and result in permanent benefit to the people all over the country. The county commissioners of the various counties, out of other funds which they have available, could be relied upon to improve the connecting links. When this money is expended there should be a fair system of secondary or feeder roads gridironing the entire country. This is the one thought I want to emphasize. Of course I am in favor of building the better type of roads, but this is emergency legislation and its principal objection is to relieve unemployment. The improvement of roads such as I have suggested would do two things, first, relieve unemployment at the least expense to those who are desirous of securing work which will permit them to remain at home; and, second, it would connect up marketing centers and be of lasting and permanent benefit.

The Chief of the Bureau of Public Roads, as shown by the hearings, estimates that 85 percent of the money expended for road improvement goes for labor. If men could remain at home and at the same time secure work, it would permit them to pay taxes, buy clothing and other necessities for their families.

I have always been a good roads enthusiast. During my first term in Congress I made a speech in support of a bill then pending creating a Bureau of Roads and to authorize the expenditure of a sum of money over a period of years. This bill was approved July 11, 1916. This was really the beginning of road building and increased amounts have been authorized for road improvement from year to year and appropriations have followed. The largest amount was that provided for in the National Industrial Recovery Act, when \$400,000,000 was set apart as grants to States for road improvements. Under that act Oklahoma was allocated \$9,216,798, and inasmuch as the same formula is used in this bill as was used in the National Industrial Recovery Act for the distribution of the funds, the several States should and will receive the same amounts they received under the Recovery Act.

I heartily favor the legislation, and repeat that from every standpoint appropriations for road improvements for emergency purposes are justified.

In conclusion, let me repeat, in order to emphasize it, that I should like to see a mandatory provision in the bill requiring a larger amount to be expended on secondary or feeder roads, including all roads over which mail is carried either by rural or star routes. Improvement of these roads does not require the use of so much machinery. Men with teams and picks and shovels are prepared and equipped to do this work. With a small amount for the maintenance of these roads, they can be kept in good condition for travel at all times. Their improvement will reduce the cost of marketing farm products. It will greatly aid in the back-to-the-farm movement. We already have fairly good roads leading to the more important commercial centers. We need to improve the rural roads connecting up every county seat, town, and the smaller marketing centers. I am going to support any amendment that will earmark the expenditure of this money so as to require it to be spent in part on improvement of rural roads. I want to interpret feeder roads. This is Federal money. The States do not match it. Why should we not direct how it shall be spent? I know the sentiment of my district, and the people there want rural roads—farm-to-market roads—improved.

Mr. WOLCOTT. Mr. Chairman, I yield the balance of my time to the gentlewoman from Kansas [Mrs. McCARTHY].

Mrs. McCARTHY. Mr. Chairman, I rise in favor of the amendment submitted by the gentleman from Ohio [Mr. JENKINS]. I had prepared a similar amendment myself, which I intend to offer. The only change I have in my amendment is in the way the money shall be spent.

I heartily agree that this money should be spent on secondary roads, feeder roads, mail routes, and public-school bus routes. The only additional suggestion I have is that this money be spent for reemployment as is intended, and, therefore, be spent under the supervision of the State reemployment director and by him disbursed to the county commissioners, instead of being spent, as in the present system, under the State highway commissions. In our own State this money is used for political purposes, while people of both parties are in need, and should not be the subject of a political distribution. [Applause.]

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Chairman, several Members have been harping on the idea that this measure interferes with relief. Mr. Hopkins called me up the other day and stated:

I understand you have received word I am opposed to the public-roads appropriation. It is quite the contrary. I think road money has been a lifesaver to this country. I just wanted to relieve any misapprehension you may have regarding my attitude on the road bill.

Mr. Chairman, I yield the remainder of my time to the gentleman from Mississippi [Mr. WHITTINGTON].

FEDERAL HIGHWAY CONSTRUCTION SELF-LIQUIDATED

Mr. WHITTINGTON. Mr. Chairman, the country is without a definite program for highway construction. Population is increasing, traffic is multiplying. There are 25,000,000 automobiles in daily operation on the highways of the Na-

tion. A continuing program of highway construction is essential to meet new needs.

The pending bill is primarily an authorization. There must be an authorization, so that an appropriation can be made. The authorization of \$400,000,000 for highways and the authorization of \$50,000,000 for roads in national parks, forest roads, forest highways, public lands, and Indian reservations is identical with the authorization and appropriation that was made in the National Industrial Recovery Act in 1933 not to relieve unemployment altogether but to contribute to the relief of unemployment.

The Public Works title of the National Industrial Recovery Act provided for \$3,200,000,000 for public works to relieve unemployment. No one has ever contended that highway construction would altogether relieve unemployment. The conditions in the country differ from conditions in the cities. Conditions in the industrial areas are different from the conditions in the agricultural regions. Four hundred million dollars were definitely allocated as grants for the construction of highways to relieve unemployment.

It is my judgment that the money appropriated for highway construction in the Public Works Act of 1933 as grants to the State highway commissions has been more generally satisfactory in aid of unemployment than any other Federal public works. [Applause.]

The provisions for highway construction in the Public Works Act of 1933, adopted by Congress under the leadership of President Franklin D. Roosevelt, is the most constructive legislation ever passed for highway building. [Applause.]

Heretofore, Federal appropriations had been to aid only Federal highways. The Public Works Act of 1933 liberalized the existing law. The appropriation was available for construction of Federal highways, for extensions of Federal highways through municipalities, and for emergency construction of secondary or feeder roads. In municipalities provision was made for the elimination of traffic hazards, the elimination of grade crossings, the building of footpaths, and the replacement of unsafe bridges.

The basis of allocation was changed so as to provide for larger allocations to the more populous States. From the beginning of Federal aid in 1916 the allocations were based upon area, mileage, and population, with one third to each. The formula adopted in the Public Works Act of 1933 is ten twenty-fourths population, seven twenty-fourths area, and seven twenty-fourths mileage.

Moreover, labor is safeguarded. Minimum wages are established. The 30-hour week obtains. Only citizens of the United States and aliens who have declared their intention of becoming citizens are to be employed. Mr. BLANTON, of Texas, suggested he would offer an amendment that only citizens of the United States should be used in such employment. Such is the law. We wrote that law a year ago. It is said that veterans should have the preference. That is the law now. The provision is contained in the Public Works Act of 1933.

The bill authorizes \$400,000,000 to be appropriated, allocated, and expended as provided by section 204 of the National Industrial Recovery Act of 1933. This section is under the Public Works title. Section 206 provides the legislation with respect to labor and employees to which I have referred. Inasmuch as the pending bill provides for the expenditure of the appropriation as provided by said section 204, and inasmuch as section 206 contains the provisions that cover all appropriations under the Public Works title, it is my view that said section 206 will apply to the pending bill.

Let me make this suggestion insofar as amendments or changes in the provisions of the bill are concerned: The provisions have been tried. They are generally satisfactory. They embody the best features of highway construction since Congress first passed legislation for Federal highway aid in 1916. I, therefore, suggest we be exceedingly careful in making amendments on the floor to the substantive law that is continued in the pending bill.

I appreciate the viewpoint of those who come from the more populous States and from the large cities. Highway legislation, under the present administration, has been more liberal to the cities and more populous States than previous highway legislation. The provision for larger allocations to the wealthier and more populous States obtain in the bill under consideration.

During the depression every administration, both Democratic and Republican, has promoted the building of highways in aid of unemployment. It is not a partisan or a political question.

Under the administration of Herbert Hoover, in the Emergency Act of December 20, 1930, Congress appropriated \$80,000,000 to supplement the annual appropriation of \$125,000,000 for Federal aid to highway construction. In 1932, \$120,000,000 was contained in the Emergency Relief Act. With the regular appropriation, more than \$200,000,000 was thus available. In 1933, with from twelve to fifteen million out of employment, the Democratic administration doubled the allocation, making the appropriation a grant instead of an aid.

Congress has conferred unprecedented authority on departments in public building and in public works during the depression, but in every emergency appropriation thus far Congress has insisted that there be a definite amount allocated for the building of highways. I believe this policy should be continued. Such is the purpose of the pending bill.

But the gentleman from Massachusetts and the gentleman from Michigan say that the larger and more populous States are discriminated against. We live under the dual system of government. There is the State and the Federal sovereignty. In modern commerce, for many purposes State lines are disappearing. Massachusetts cannot live within herself. She must sell her products to other States. Many of the leading insurance companies are located in Massachusetts, and yet their profits are derived from business with citizens in Arkansas, New Mexico, and Mississippi. No State can live unto itself. In a national emergency it is more important than ever that national questions should be considered from the national viewpoint.

It is said that New York pays from 25 to 30 percent of the income taxes of the United States. It may be that this percentage is collected from citizens of New York, but the taxes are paid by the people of the entire country. Let me give you an illustration: The Union Pacific Railroad is located west of the Mississippi River. Its general offices are in New York City. Its income is credited to the city of New York and the State of New York. It paid some years ago an annual income tax of about \$4,000,000. New York obtained credit for the payment, but the property was located west of the Mississippi River and the earnings came from the citizens of that part of the United States. The people of the United States, 125,000,000 citizens, no matter where they reside, pay the income and other taxes of this country, regardless of their residence or location. [Applause.]

The pending bill authorizes an appropriation of \$400,000,000. Under regulations adopted by the Secretary of Agriculture and the State highway commission, approximately 50 percent will be expended on highways, 25 percent on extensions in municipalities, and 25 percent on secondary or feeder roads.

I am familiar with the amendment respecting secondary or feeder roads that has been suggested. I live in an agricultural State. I am in sympathy with the building of roads from the farm to the market. The pending bill provides for a Federal grant. The principle is that those who use the roads should pay for them. Primarily the obligation of Congress is to provide for the construction of those roads that are largely used by the people of the entire country. Congress, in the very nature of the case, cannot provide for main thoroughfares and all secondary or feeder roads. The Federal highway program contemplates the building of 206,000 miles of Federal-aid highways. Only about 108,000 miles have been completed.

The gentleman from Michigan [Mr. MAPES] criticized the pending legislation. As I recall, he lives in a congressional

district that embraces a large city and probably one county. Grand Rapids has been able to construct her highways because her furniture is sold in every State in the Union. In Michigan, however, less than half of the Federal-aid highways has been completed. In the State of Massachusetts the same situation obtains—about one half of the system has been completed.

I shall discuss the proposed amendments when the bill is being read for amendments. I call attention to the fact that in Ohio, as disclosed by the hearings, substantially one fourth of the amount allocated to the State of Ohio has been used in the building of secondary or feeder roads.

I am sympathetic with the problems of the great cities and the industrial centers. The greater part of the \$500,000,000 for Federal relief appropriated in 1933 went to the large cities and the industrial centers. An additional allocation of \$400,000,000 was made for civil works. The larger part went to the industrial centers. While the municipalities share in the benefits of highway legislation, such legislation is not intended to solve altogether the problems of unemployment in the cities.

Much has been said about secondary roads. Provision was made for the building of these roads under the Civil Works program primarily in aid of unemployment in the areas where unemployment was most wide-spread. The amendments, therefore, that would undertake to limit the expenditures of Federal-aid funds would do an injustice to the less populous areas of the country.

One of the first acts of the present session of Congress was to appropriate \$950,000,000 for the relief of distress and unemployment. It is now available in the drought areas in Kansas and the Middle West generally. Our friends from the cities and the more populous industrial centers should be satisfied. If they receive, as they view it, less benefit from Federal-aid legislation, they certainly receive more benefit from relief legislation.

I believe that the expenditure of the appropriation should be left largely to the State authorities. I am an advocate of State rights. There is too much centralization. If some States have done an injustice to certain areas in those States, the remedy is to change the administration in the States and not to change the general law so as to do injustice to other States.

It has been suggested that \$400,000,000 is a large amount. It was inserted in the pending bill after careful hearings. These hearings disclosed that contracts would be awarded for the entire \$400,000,000 appropriated in 1933 by the 1st of July 1934. The amount will be largely expended by the close of the calendar year 1934. The Chief of the Bureau of Public Roads estimated that it would require the grant of an additional \$375,000,000 to hold employment without a precipitous drop during the latter part of the year 1934 and during the year 1935 on the assumption that regular Federal aid would be resumed for the fiscal year 1936. Unless provision is made for Federal-aid construction from 500,000 to 1,000,000 men who have been engaged in highway construction for the past 4 years will be out of employment. Under the appropriation of 1933 the construction will be largely completed in the latter part of 1934.

We are interested in the relief of unemployment in the cities, but what about unemployment among the people who live in the countryside? The proposed authorization will provide for employment in 75 percent of all of the counties in the United States. Highway construction is the most generally satisfactory of all public works.

SELF-LIQUIDATING

Highway construction is superior to all other public works in providing employment and permanent benefits. If those who use the highways should pay for them, it follows that there must be better roads.

Federal aid and Federal grants for highways are self-liquidating. In every emergency for public works, highway construction has provided for employment in every State. The American motorists have more than paid for the cost of all appropriations for Federal highways. The original Federal Highway Act was passed in 1916. For the period 1917 to March 1, 1934, collections for motor vehicles, in-

cluding, for 1933 and 1934, the excise tax on gasoline, oils, tires, and tubes, as reported by the United States Internal Revenue Department, amounted to \$1,502,584,784.95. According to the records of the United States Bureau of Public Roads for the same period, the total Federal-aid highway expenditures aggregated \$1,472,250,824.15.

In the Public Works Act of 1933 there was a definite allocation of \$400,000,000 for highways. For the first 6 months of the year 1933 the excise tax on automobiles, motorcycles, parts and accessories, trucks, tubes, gasoline, and oil aggregated \$167,000,000, and for the calendar year 1933 aggregated approximately \$257,000,000. By the time, therefore, the appropriation of \$400,000,000 has been finally expended the collections will equal substantially the expenditures.

Under the leave to extend my remarks, I include herein a tabulation showing the highway expenditures and income as follows:

Comparison of Federal-aid highway expenditures and Federal-tax income from motor vehicles

[Income figures from records of U.S. Bureau of Internal Revenue. Expenditure figures from records of U.S. Bureau of Public Roads]

Year	Federal-aid expenditures	Motor-vehicle-tax income ¹
1917	\$34,337.85	
1918	674,816.30	*\$23,981,268.35

¹ Manufacturers' excise tax on automobiles, motorcycles and accessories and including for 1933 manufacturers' excise tax on gasoline, lubricating oils, tires, tubes, etc.
² 9-month period. Tax effective Oct. 1, 1917.

Comparison of Federal-aid highway expenditures and Federal-tax income from motor vehicles—Continued

Year	Federal-aid expenditures	Motor-vehicle-tax income
1919	\$2,915,282.76	\$48,834,271.47
1920	20,340,774.24	143,922,792.01
1921	57,462,708.07	115,546,249.31
1922	89,946,603.64	104,433,762.75
1923	71,604,708.75	144,290,490.23
1924	80,447,823.78	158,014,709.40
1925	97,472,506.13	124,686,745.30
1926	89,362,110.64	138,155,194.80
1927	82,977,565.95	66,437,881.32
1928	82,513,833.66	* 51,628,265.96
1929	84,006,619.00	
1930	77,892,192.33	
1931	155,887,639.60	
1932	188,717,619.59	
1933	165,868,106.97	173,967,660.00
1934 ⁴	* 124,225,514.89	* 208,685,494.00
Total	* 1,472,250,824.15	1,502,584,784.95
Taxation credit balance		30,333,960.80

³ 11-month period. Tax repealed May 20, 1928.
⁴ To Mar. 1, 1934.
⁵ This total includes all regular Federal-aid expenditures plus those made from the first emergency appropriation, the second emergency appropriation (Emergency Relief and Construction Act of 1932), and the Public Works highway funds. The total expenditures from these 3 emergency funds amounted to \$230,860,543 to Mar. 1, 1934.

Under the leave to extend my remarks I include the following schedule, furnished by the Chief of the Bureau of Public Roads, showing the apportionment of the \$400,000,000 in the Public Works Act of 1933 among the States, and the allocations for highways, municipal extensions, and feeder roads, as follows:

SCHEDULE 1.—Approved assignment of the apportionment of Public Works highway funds, as of Jan. 31, 1934

State	Date of original approval	Date of latest revision	Federal-aid highways system, N.R.H.		Extensions through municipalities, N.R.M.		Secondary or feeder roads, N.R.S.		Total apportionment
			Percent	Amount	Percent	Amount	Percent	Amount	
Alabama	Aug. 1, 1933		50.00	\$4,185,067	25.00	\$2,092,533	25.00	\$2,092,533	\$8,370,133
Arizona	July 21, 1933		73.00	3,804,731	15.00	781,794	12.00	625,435	5,211,960
Arkansas	July 18, 1933		50.00	3,374,167	25.00	1,687,084	25.00	1,687,084	6,748,335
California	July 24, 1933		50.00	7,803,677	25.00	3,901,839	25.00	3,901,838	15,607,354
Colorado	July 29, 1933		50.00	3,437,265	25.00	1,718,633	25.00	1,718,632	6,874,530
Connecticut	July 21, 1933		49.00	1,404,213	28.00	802,407	23.00	659,120	2,865,740
Delaware	July 14, 1933		50.00	909,544	25.00	454,772	25.00	454,772	1,819,088
Florida	do		50.00	2,615,917	25.00	1,307,959	25.00	1,307,958	5,231,834
Georgia	Sept. 26, 1933		50.00	5,045,592	27.00	2,724,620	23.00	2,320,973	10,091,185
Idaho	July 14, 1933		50.00	2,243,125	25.00	1,121,562	25.00	1,121,562	4,486,249
Illinois	Aug. 1, 1933		25.22	4,431,948	39.14	6,877,199	35.64	6,262,223	17,570,770
Indiana	July 13, 1933		47.00	4,717,786	48.00	4,818,165	5.00	501,892	10,037,843
Iowa	July 17, 1933		50.00	5,027,830	28.00	2,815,585	22.00	2,212,245	10,055,660
Kansas	do		50.00	5,044,802	25.00	2,522,401	25.00	2,522,401	10,089,604
Kentucky	July 13, 1933		48.00	3,608,332	27.00	2,029,687	25.00	1,879,340	7,517,359
Louisiana	July 14, 1933		50.00	2,914,295	25.00	1,457,148	25.00	1,457,148	5,828,591
Maine	do		50.00	1,684,959	25.00	842,479	25.00	842,479	3,369,917
Maryland	Aug. 5, 1933		50.00	1,782,263	25.00	891,132	25.00	891,132	3,564,527
Massachusetts	July 8, 1933	Jan. 26, 1934	16.70	1,101,716	75.90	5,007,199	7.40	488,185	6,597,100
Michigan	July 19, 1933		40.00	5,094,491	35.00	4,457,679	25.00	3,184,057	12,736,227
Minnesota	July 18, 1933		48.00	5,115,153	32.00	3,410,102	20.00	2,131,314	10,656,569
Mississippi	July 17, 1933		50.00	3,489,337	25.00	1,744,669	25.00	1,744,669	6,978,675
Missouri	July 12, 1933		50.00	6,090,153	25.00	3,045,077	25.00	3,045,076	12,180,306
Montana	July 14, 1933	Nov. 4, 1933	60.00	4,463,849	15.00	1,115,962	25.00	1,859,937	7,439,748
Nebraska	July 17, 1933		50.00	3,914,481	25.00	1,957,240	25.00	1,957,240	7,828,961
Nevada	July 21, 1933		64.00	2,909,387	11.00	500,051	25.00	1,136,479	4,545,917
New Hampshire	July 14, 1933	Jan. 12, 1934	38.00	725,739	37.00	708,640	25.00	477,460	1,909,839
New Jersey	July 25, 1933	Aug. 22, 1933	48.30	3,065,137	50.70	3,217,442	1.00	63,460	6,346,039
New Mexico	July 18, 1933		50.00	2,896,467	25.00	1,448,234	25.00	1,448,234	5,792,935
New York	June 30, 1933	Aug. 1, 1933	48.50	10,530,099	35.10	7,837,865	16.40	3,692,137	22,330,101
North Carolina	July 20, 1933		50.00	4,761,147	25.00	2,380,573	25.00	2,380,573	9,522,293
North Dakota	July 14, 1933		50.00	2,902,224	25.00	1,451,112	25.00	1,451,112	5,804,448
Ohio	July 8, 1933		45.00	6,908,036	30.00	4,645,378	25.00	3,871,148	15,424,592
Oklahoma	July 12, 1933		50.00	4,608,399	25.00	2,304,200	25.00	2,304,199	9,216,798
Oregon	do		50.00	3,053,448	25.00	1,526,724	25.00	1,526,724	6,106,896
Pennsylvania	Aug. 1, 1933		30.48	5,757,978	28.67	5,416,051	40.85	7,716,975	18,891,004
Rhode Island	July 22, 1933		50.00	999,354	25.00	499,677	25.00	499,677	1,998,708
South Carolina	July 13, 1933		50.00	2,729,583	25.00	1,364,791	25.00	1,364,791	5,459,165
South Dakota	July 19, 1933		50.00	3,005,739	25.00	1,502,870	25.00	1,502,870	6,011,479
Tennessee	July 17, 1933		50.00	4,246,309	25.00	2,123,155	25.00	2,123,155	8,492,619
Texas	July 18, 1933		50.00	12,122,012	25.00	6,061,006	25.00	6,061,008	24,244,024
Utah	July 8, 1933	Jan. 5, 1934	56.60	2,374,205	18.40	771,826	25.00	1,048,677	4,194,708
Vermont	July 13, 1933		49.90	931,919	25.20	470,628	24.90	405,626	1,867,573
Virginia	July 12, 1933		50.00	3,708,379	25.00	1,854,189	25.00	1,854,189	7,416,757
Washington	do		50.00	3,057,934	30.70	1,877,571	19.30	1,180,362	6,115,867
West Virginia	July 14, 1933		45.00	2,013,405	30.00	1,342,270	25.00	1,118,569	4,474,234
Wisconsin	July 12, 1933		50.00	4,892,441	25.00	2,431,220	25.00	2,431,220	9,754,881
Wyoming	July 19, 1933		50.00	2,250,663	25.00	1,125,332	25.00	1,125,332	4,501,327
District of Columbia	July 13, 1933	Dec. 1, 1933			50.00	959,235	50.00	959,234	1,918,469
Hawaii	July 24, 1933		90.00	1,683,956			10.00	187,106	1,871,062
Total			47.15	185,768,033	28.78	113,402,967	24.07	94,828,950	394,000,000

P.W.A. ALLOTMENTS FOR FOREST, NATIONAL PARK, AND INDIAN RESERVATION ROADS AND PHYSICAL IMPROVEMENTS AND PUBLIC-LAND ROADS, TOGETHER WITH STATEMENT AS TO RATIOS OF FEDERAL-AID APPROPRIATIONS AND APPROPRIATIONS FOR FOREST, PARK, INDIAN RESERVATION, AND PUBLIC-LAND ROADS

SUMMARY

Summary P.W.A. allotments to Forest, National Park, and Indian Services and public-land roads

	Allotments from \$50,000,000 section 205	Additional road allotments	Physical improvement allotments other than roads	P. W. A. totals
	(1)	(2)	(3)	(4)
Forest Service:				
Forest, highways	(A) \$15,000,000		\$15,967,745	\$40,967,745
Forest, road, and trails	(B) 10,000,000			
National Park Service	(C) 16,000,000	\$9,049,994	7,042,456	32,092,450
Indian affairs	(D) 4,000,000	100,000	14,928,550	19,028,550
Public land roads	(E) 5,000,000			5,000,000
Total	\$50,000,000	9,149,994	37,938,751	97,088,745

- Allotment sec. 205 (minimum).....\$50,000,000
- Additional road allotment.....9,149,994
- Total road allotment.....59,149,994
- Physical improvement allotments to Forest, Park, and Indian Services for other than roads.....37,938,751
- Grand total P.W.A. allotments to Forest, Park, and Indian Services and public-land roads.....97,088,745

* See exhibit C for distribution by States.
 † See exhibit B for project allocations.
 ‡ Roads, drainage, and also including some sanitation—Alaskan reservations only.
 § See exhibit A for distribution by States.

Under leave to extend my remarks I include the summary, statements, exhibits, and supplemental statement covering the \$50,000,000 for forest highways and roads, national parks roads, roads in Indian reservations, and public-land roads given in the above table; and I include the additional allotments by the Public Works Administrator of \$9,149,994. I also include the additional allocations made by the Administrator of Public Works for physical equipment in the Forest Service, the national parks, and the Indian reservations up to May 5, 1934, aggregating \$37,938,751.

The amounts were taken from the records of the Public Works Administration and include the allotments up to May 5, 1934:

STATEMENT

Statement accompanying exhibit A. Distribution by States of \$50,000,000 fund, section 205, N.I.R.A.

Thirty-eight States, Alaska, Hawaii, and Puerto Rico shared in the \$50,000,000 fund provided by section 205 of the N.I.R.A.

The distribution by States for the various kinds of projects under section 205 (A), (B), (C), (D), and (E) is given on the next sheet.

- (A) Forest highways.
- (B) Forest roads and trails.
- (C) National-park roads.
- (D) Roads on Indian reservations.
- (E) Public-land highways.

Ten States and the District of Columbia did not share in this fund. Those States not sharing are as follows: Connecticut, Delaware, Indiana, Kansas, Maryland, Massachusetts, New Jersey, New York, Ohio, Rhode Island, and the District of Columbia.

EXHIBIT A

Distribution by States of funds (\$50,000,000) provided under sec. 205 (A), (B), (C), (D), and (E) of the National Industrial Recovery Act

State	Forest highways (A)	Forest roads, trails, etc. (B)	National park roads (C)	Roads on Indian reservations (D)	Public land highways (E)	Total
Alabama	\$14,732	\$49,000				\$63,732
Arizona	980,996	383,000	\$1,261,300	\$1,465,000	\$748,310	4,838,606
Arkansas	192,527	267,000	50,000			509,527
California	2,351,177	2,972,000	1,947,000	53,000	475,740	7,798,917
Colorado	1,217,346	274,000	771,400	53,000	176,751	2,492,497
Florida	63,763	19,000				82,763
Georgia	46,542	94,000				140,542
Idaho	1,710,825	1,052,000		40,000	265,590	3,068,415
Illinois	15,675					15,675
Iowa				5,000		5,000

Distribution by States of funds (\$50,000,000) provided under sec. 205 (A), (B), (C), (D), and (E) of the National Industrial Recovery Act—Continued

State	Forest highways (A)	Forest roads, trails, etc. (B)	National park roads (C)	Roads on Indian reservations (D)	Public land highways (E)	Total
Kentucky	\$24,691	\$143,000				\$167,691
Louisiana	23,297	72,000				95,297
Maine	5,597	8,000	\$235,750			249,347
Michigan	94,966	168,000				262,966
Minnesota	157,300	150,000		\$43,000		350,300
Mississippi	34,709	93,000				127,709
Missouri	21,488					21,488
Montana	1,344,773	465,000	1,111,100	457,000	\$263,230	3,641,103
Nebraska	16,251	8,000		5,000		29,251
Nevada	312,310	6,000		35,000	1,129,958	1,483,268
New Hampshire	86,628	85,000				171,628
New Mexico	687,273	333,000	221,000	760,000	396,203	2,397,476
North Carolina	81,326	373,000	1,317,500	23,000		1,794,826
North Dakota				85,000	63,739	148,739
Oklahoma	22,078	24,000	22,000	60,000	45,517	173,595
Oregon	2,186,449	1,064,000	532,950	155,000	335,141	4,273,540
Pennsylvania	41,976	66,000				107,976
South Carolina	20,025	62,000				82,025
South Dakota	130,565	60,000		190,000	95,691	476,256
Tennessee	59,776	124,000	1,317,500			1,501,276
Texas	14,325					14,325
Utah	559,047	212,000	498,100	53,000	556,699	1,878,846
Vermont	8,334	49,000				57,334
Virginia	73,068	112,000	2,575,000			2,760,068
Washington	1,207,246	735,000	1,331,500	355,000	64,780	3,693,526
West Virginia	44,812	135,000				179,812
Wisconsin	60,442	109,000		43,000		212,442
Wyoming	735,712	163,000	2,041,900	120,000	382,651	3,443,263
Alaska	350,000	60,000	250,000			660,000
Hawaii			516,000			516,000
Puerto Rico	1,953	11,000				12,953
Total	15,000,000	10,000,000	16,000,000	4,000,000	5,000,000	50,000,000

EXHIBIT B

Department of Interior, National Park Service for Roads and Trails [Additional and over and above apportionment out of minimum specifically provided by law]

States	Location	Amount	Project number
Arizona	Grand Canyon	\$125,000.00	F.P. A 226
Do	do	301,103.00	C 227
Do	do	3,432.78	228
Arkansas	Hot Springs	258,180.00	A 229
California	Sequoia	4,500.00	A 230
Do	do	4,500.00	B 230
Do	do	9,000.00	A 231
Do	do	31,500.00	232
Do	do	5,120.00	233
Do	do	18,000.00	234
Do	Yosemite	18,000.00	235
Do	do	7,200.00	236
Do	do	1,800.00	237
Do	do	70,975.08	238
Do	do	11,700.00	240
Colorado	Rocky Mountains	22,000.00	243
Idaho	Craters of the Moon	2,475.00	244
Do	do	2,700.00	245
Maine	Acadia	143,750.00	A 246
Do	do	3,780.00	247
Montana	Glacier	18,000.00	248
Tennessee and North Carolina	Great Smoky Mountains	22,010.00	A 249
Virginia	Washington's birthplace	1,350.00	250
Do	do	9,000.00	251
Washington	Mount Rainier	5,059.14	252
Do	Olympus	2,590.86	A 252
Wyoming	Yellowstone	9,000.00	253
Georgia	Chickamauga-Chatanooga	504,900.00	381
Do	Kenaw Mountain Battlefield	13,860.00	382
Kentucky	Abraham Lincoln	900.00	383
Louisiana	Chalmette	9,900.00	384
Maryland	Antietam Battlefield Site	19,800.00	385
Do	Fort Mchenry	3,600.00	386
Mississippi	Vicksburg	749,250.00	387
North Carolina	Guilford Court House, National Park	29,700.00	388
Do	Kill Devil Hill Monument, Kitty Hawk	37,350.00	389
Do	Moore's Creek National Park	14,850.00	390
Pennsylvania	Gettysburg National Military Park	225,770.00	391
Tennessee	Chattanooga National Cemetery	19,350.00	392
Do	Chickamauga and Chattanooga	78,750.00	393
Do	Fort Donelson National Military Park	78,210.00	394
Do	do	3,500.00	395
Do	Meriwether Lewis National Monument	41,100.00	396
Do	Shiloh National Cemetery	396,750.00	397
Do	do	4,500.00	398
Do	Stones River National Military Park	19,800.00	399
Virginia	Fredericksburg National Cemetery	200.00	400
Do	Fredericksburg and Spotsylvania County Battlefield Memorial	855,850.00	401
Do	Petersburg National Military Park	376,360.00	402

Department of Interior, National Park Service for Roads and Trails—Continued

States	Location	Amount	Project number
Vermont	Proposed Green Mountain Parkway	\$50,000.00	505
Virginia, Tennessee, and North Carolina	Shenandoah-Great Smoky Mountains	4,000,000.00	525
District of Columbia	Washington-Arlington Memorial Bridge	30,494.00	531
Georgia	Fort Pulaski	49,500.00	532
Montana	Glacier	113,000.00	533
Various	Technical supervision (engineering and landscaping)	241,025.00	560
Total		9,049,993.86	

EXHIBIT C

Department of Agriculture, Forest Service, for physical improvements (physical improvements and control of tree-destroying diseases and insects provided that any building to cost more than \$2,500 must be specifically authorized by the Administrator of Public Works)

States	Amount
Alabama	\$17,560
Alaska	24,315
Arizona	987,500
Arkansas	295,457
California	2,260,599
Colorado	394,409
Connecticut	2,180
Florida	76,104
Georgia	128,808
Idaho	2,486,355
Illinois	19,980
Indiana	1,070
Kentucky	71,150
Louisiana	119,881
Maine	2,500
Michigan	633,217
Minnesota	782,525
Mississippi	163,765
Missouri	5,000
Montana	1,062,863
Nebraska	52,695
Nevada	111,502

Department of Agriculture, Forest Service, for physical improvements, etc.—Continued

States:	Amount
New Hampshire	\$106,170
New Jersey	6,410
New Mexico	722,399
New York	10,715
North Carolina	115,734
North Dakota	2,500
Ohio	1,100
Oklahoma	81,510
Oregon	737,483
Pennsylvania	95,730
South Carolina	66,561
South Dakota	120,183
Tennessee	113,134
Texas	21,000
Utah	351,845
Vermont	24,000
Virginia	79,941
Washington	741,947
West Virginia	151,250
Wisconsin	1,280,657
Wyoming	236,598
General administration, salaries, and expenses	201,443
Regular appropriation items: General administration, protection, and administration of national forests, aerial fire control, classification of lands, sanitation and fire prevention, planting national forests, reconnaissance, improvement of national forests, forest surveys, soil-erosion investigation	1,000,000
Total	15,967,745

SUPPLEMENTAL STATEMENT

Statement as to previous ratios of appropriations for Federal highway aid and for forest, park, Indian reservations, and public-land roads

Prior to the first emergency appropriation for roads in December 1930 it had been the policy of Congress to authorize regular Federal-aid appropriations and appropriations for forest roads and trails in the ratio of 10 to 1, such as for the fiscal years 1931 and 1932, when Federal aid was given \$125,000,000 and forest roads and trails \$12,500,000.

In addition, appropriations for the National Park Service covering park roads were made separately in varying amounts from year to year without reference to the amounts appropriated for Federal highway aid.

In the emergency acts the following amounts were allotted for the purposes indicated:

Legislative acts	Federal aid	Forest high-ways	Forest roads and trails	National-park roads	Indian-reservation roads	Public-land roads
Emergency, December 1930	\$80,000,000	\$3,000,000		\$1,500,000	\$3,000,000	
Emergency-relief construction, 1932	120,000,000	5,000,000	\$5,000,000	3,000,000	1,000,000	\$2,000,000
N.I.R.A., 1933	400,000,000	15,000,000	10,000,000	16,000,000	4,000,000	5,000,000

¹From lump sum of \$50,000,000 distributed by P.W.A.

It will be observed that, in addition to the \$50,000,000, the Administrator of Public Works allocated approximately \$47,000,000 additional for roads and physical equipment and other improvements in the forests, national parks, and Indian reservations.

Under the Public Works title of the National Industrial Recovery Act, the Administrator was authorized to make grants of 30 percent and make loans for 70 percent of the cost of construction of roads, highways, and other public improvements. I am advised that in addition to the amounts hereinbefore appropriated, the Administrator of Public Works had made loans for highway construction with 30 percent grants up to March 15, 1934, to the amount of \$41,742,811.

EARMARKED

The pending bill will provide for definitely earmarking grants for highway construction. It is an authorization. The whole amount may not be appropriated either for highways or for forests and parks during the current year. The matter rests largely with the President. The amount appropriated will depend upon his Public Works message, but I insist that Congress shall make definite allocations and appropriations for all public works, including highways, public buildings, rivers and harbors, and flood-control works. It is essential that the public funds be safeguarded and that permanent improvements be provided. Congress has a re-

sponsibility. Congress levies the taxes. It should provide for definite appropriations.

URGENCY

The States are unable to match Federal aid. They cannot borrow money, nor can they sell bonds. They are unable to provide, in many cases, for local relief, hence the necessity for Federal grants. It is my view that the grants should continue until provision is made for regular Federal aid. Such provision, I believe, should be made for the fiscal year 1936. Meantime, the States have difficulty in maintaining their highways. In the interest of employment and to promote the public good, the pending legislation should be passed.

ANALYSIS

Section 1 and section 2 of the pending bill provide for grants in the amounts and under the provisions of the Public Works Act of 1933. One and one half percent is allowed for surveys and plans. The allocations and the provisions of the Public Works Act of 1933 were eminently satisfactory. The Committee on Roads conducted hearings. They believe the amounts and the provisions should continue.

Section 3 is new legislation, or rather I should say it provides for a definite policy so as to eliminate special acts that have been passed from time to time. A fund is provided for the rebuilding of Federal-aid highways destroyed

by floods, hurricanes, earthquakes, and landslides. Inasmuch as a permanent policy is provided, the authorization of \$10,000,000 is not a grant but is to aid in rebuilding Federal-aid highways, as provided by the Federal Highway Act, on a 50-50 basis.

The Public Works Act of 1933 stipulated that the limitations of highway construction within municipalities imposed by the Federal Highway Act should not apply to the program of 1933. The pending bill makes permanent the provision.

In the Emergency Act of December 20, 1930, and in the Emergency Relief and Construction Act of 1932, provision was made for the repayment by way of deduction of prior advances or loans in future allocations to the States. The pending bill definitely eliminates the provision. The program of 1933 was a grant and not a Federal aid. The pending bill is a grant, and the public interest and public good will be promoted by the elimination of the requirement for repayment of the emergency advances in all future Federal-aid legislation.

ALLOCATIONS

Under the Public Works Act of 1933 the method of allocations was changed so as to provide for larger allotments to the more populous States. Formerly, allocations were based upon population, area and mileage, one third being allocated for each purpose. The formula is now 10/24 population, 7/24 area, and 7/24 mileage. It will obtain in the pending bill.

SECONDARY ROADS

Provision is made for secondary or feeder roads and employment is thus provided for. Secondary roads employ a much larger percentage of common labor. I favor farm-to-market roads. More labor and less machinery is used on secondary roads; unemployment is thus aided.

MUNICIPALITIES

Construction through municipalities is continued as it was in the Public Works Act of 1933. Cities as well as the country are again provided for.

GRANTS

The States are unable to match Federal-aid highway funds. It is believed that by 1936 conditions will be normal. A Federal-aid highway program is then contemplated. On account of the depression and the inability of the States to match Federal highway funds and that the States may know definitely how to provide their future programs, it is essential that provision be made during the remainder of the emergency for grants for highway construction.

GENERALLY MORE SATISFACTORY

There is no more satisfactory public work than highway construction. All States are benefited. All counties in all of the States are aided. Labor in both the city and country is benefited.

The passage of the pending bill is important in the completion of the program for recovery. [Applause.]

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. HASTINGS. Inasmuch as this is a grant to the States, not to be matched by the States, why should not the Congress here earmark and say how it shall be expended?

Mr. WHITTINGTON. That is a fair question. I stand for highway construction. As the Congress of the United States we cannot build all of the highways in the country. We have a Federal-aid system. It has 207,000 miles in round numbers. We have completed about one half of it. Take the State of Michigan for instance. In Grand Rapids, where my friend MAPES lives, they may have built all of their roads, but they have not completed half of their Federal-aid system in the State of Michigan. That same condition obtains in Ohio. I maintain that last year we went further than any administration has ever gone, and we provided for the first time for feeder roads and secondary roads.

Mr. HASTINGS. But what was "feeder roads" interpreted as? It did not mean anything rural in my country.

Mr. WHITTINGTON. We said secondary and feeder roads, in the language of the law, and if you say it again, you cannot make it any plainer. The fault is not in the legislation, it is in the administration of it, by the State highway commissions. The responsibility of Congress is to provide the funds. It is the responsibility of the States to provide for their allocation and disbursement in the States.

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

Mr. WHITTINGTON. Yes.

Mr. SNELL. There is nothing new or novel about this system. We have had it before. Of course, there is a limit to good things that you can do. What definite information came before the gentleman's committee that made them feel that they were justified in appropriating \$50,000,000 for roads and trails in public reserves?

Mr. WHITTINGTON. That is also a fair question. We have authorized \$400,000,000 for highways. The question occurred to me: Why allow \$50,000,000 for roads in national parks, forests, public lands, and Indian reservations? There is none in my district. The only additional funds for highways in order to provide satisfactorily for the national parks, forests, and public lands was that the Administrator supplemented the \$16,000,000 of the \$50,000,000 by an additional \$9,000,000, and moreover, provided for \$37,000,000 more for providing for necessary improvement in the forests of the country, as I have heretofore shown. The committee was of the opinion that inasmuch as the Administrator supplemented the \$50,000,000 of 1933 by almost \$50,000,000 more, in the pending bill an authorization of \$50,000,000 would be reasonable in the continuing emergency.

I say, in all fairness, the provision for \$50,000,000 carried in this bill in reality will be approximately \$47,000,000 less than that expended during the current year for that same or similar purposes as I have pointed out.

Mr. SNELL. Was there any evidence produced to show that it was necessary to put that amount at this time in that work?

Mr. WHITTINGTON. No. This is an authorization. Yours is a fair question. If the testimony before the Committee on Appropriations shows that it is not necessary to appropriate that entire amount, it is not compulsory and will not be appropriated.

Mr. SNELL. I know the gentleman says it is only an authorization, but the statement has been made on the floor of the House that they want this authorization so that they can go ahead and make their plans, and the gentleman knows that when we pass this authorization, you will expect the Committee on Appropriations to appropriate that money.

Mr. WHITTINGTON. In many cases the entire authorization is not appropriated in 1 year.

Mr. SNELL. But you admit you have not any facts before your committee?

Mr. WHITTINGTON. Oh, I have said that they have spent this year approximately \$97,000,000 on this and similar items, and that we only provide for \$50,000,000.

Mr. SNELL. But they have done all the work that is necessary.

Mr. WHITTINGTON. If it is not necessary I say the money should not be appropriated.

Mr. TABER. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. TABER. You say "not less than \$50,000,000"?

Mr. WHITTINGTON. I have no objection to saying "\$50,000,000" if that will satisfy the gentleman.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTINGTON] has expired. All time has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include, first, a schedule showing the amounts collected from motor-vehicle and gas taxes from 1917 up to 1934, and expenditures for Federal-aid highways; secondly, the allocation of the \$400,000,000 appropriation of 1933 to the States, and thirdly, allotments of the \$50,000,000 to the various national

parks and forest highways, roads, and public lands, and Indian reservations, trails, and the allocation of the additional approximated \$9,000,000 and \$37,000,000 to which I referred, for the national parks and the improvement of the national forests, parks and Indian reservations, and generally to revise and extend my remarks on the pending bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That for the purpose of increasing employment by providing for emergency construction of public highways and other related projects there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of not less than \$400,000,000 for allocation under the provisions of section 204 of the National Industrial Recovery Act, approved June 16, 1933 (in addition to any sums heretofore allocated under such section), in making grants under such section to the highway departments of the several States to be expended by such departments pursuant to the provisions of such section, and to remain available until expended: *Provided*, That not to exceed 1½ percent of the allotment of this appropriation to any State may be used for surveys and plans of projects for future construction on the Federal-aid system in such State.

Mr. TABER. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. The language of this section provides that there is authorized to be appropriated the sum of not less than \$400,000,000. That is, in effect, a mandatory piece of legislation, and must result in an appropriation. This bill does not come from the Committee on Appropriations and therefore this section, with that language in it, is out of order.

Mr. WHITTINGTON. Mr. Chairman, I submit that the point of order is not well taken. This is not an appropriation. If it were, the point of order would be well taken, but this is an authorization. Therefore, the point of order does not lie.

I want to say, Mr. Chairman, that I have an amendment in my hands which I propose to offer making the amount definitely \$400,000,000. I stated a moment ago that such an amendment would be satisfactory to the committee.

The CHAIRMAN (Mr. GLOVER). The Chair is ready to rule. This is simply an authorization, and the point of order is overruled.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 1, line 7, after the words "sum of", strike out the words "not less than."

Mr. WHITTINGTON. Mr. Chairman, I desire to say that this amendment, as I understand it, is satisfactory to the members of the committee on both sides, and it is offered as a committee amendment. It simply provides definitely for \$400,000,000, rather than an uncertain and indefinite amount.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The amendment was agreed to.

Mr. FULLER. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FULLER: On line 8, page 2, strike out the period after the word "State", insert in lieu thereof a semicolon, and add the following: "and provided that not less than 25 percent of the allotment of this appropriation shall be applied to secondary or feeder roads, including farm-to-market roads, and rural free-delivery mail roads, and public-school bus routes."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order against the amendment that it is not germane.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. WHITTINGTON. I do not desire to argue the matter.

Mr. DOWELL. Mr. Chairman, I should like to be heard if there is any question about it in the mind of the Chair.

Mr. JENKINS of Ohio. I should like to be heard, Mr. Chairman.

Mr. DOWELL. Mr. Chairman, this is not subject to a point of order. It is germane. It is dealing with identically the same subject, and the appropriation or authorization is for the purpose of road building, and the amendment is specifying in what manner it shall be used.

Mr. JENKINS of Ohio. I should like to be heard on the point of order, Mr. Chairman. This is the same amendment that I proposed to offer. I have consented that Mr. FULLER introduce it so as to remove any claim that it is partisan. I maintain that this is germane, because it follows the proviso in the same section. It provides for the disposition of a certain percentage of this money, and it says how it shall be disposed of. This amendment does the same thing. It designates how the money appropriated under this section shall be disposed of. Both of them are positive amendments and do the same identical thing.

It is therefore absolutely germane. The point of order should be sustained.

The CHAIRMAN. The Chair is ready to rule. On February 27, 1932, the gentleman from Texas [Mr. BLANTON] was presiding, when a similar question arose. The Chair held at that time that a similar amendment was germane.

The Chair overrules the point of order.

Mr. FULLER. Mr. Chairman, at the outset I may say that this amendment, to all practical purposes, is the Jenkins amendment. I discussed the amendment with the gentleman from Ohio a few moments ago. In my own mind I am convinced that it is perfectly satisfactory to Mr. MacDonald, Chief of the Bureau of Public Roads. If it were not, I would not favor it.

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

Mr. FULLER. I yield.

Mr. WHITTINGTON. I have a communication here saying it is not satisfactory.

Mr. FULLER. I should like to see it.

Mr. WHITTINGTON. I shall be very glad to read it in my own time to save the gentleman's time.

Mr. FULLER. In other words, the Chief of the Bureau of Public Roads is doing this very same thing now, in a way, through rules and regulations carrying out the intent of Congress which was that not more than 25 percent should be used for rural post roads or feeder roads. Some State commissions, however, take the attitude that if they use \$1,000 for this purpose that is sufficient to comply with the language "not more than 25 percent." In my own State there is no controversy about this provision. We feel that it is mandatory; at least we know the intention of Congress, and we seek to carry out the spirit and the letter of the law and use 25 percent for secondary roads, 25 percent for pavements inside cities, and 50 percent on Federal or main trunk lines.

The difficulty arising in the interpretation of the law is that in certain States the highway commissions have held that the classification "feeder roads" means first-class State roads. We know that is not what was originally intended. The result of such an interpretation is that the little communities and townships suffer most, yet they are the places which have the most desperate need. They do not get the relief it was intended they should receive when this law was passed.

The effect of this amendment is to make it mandatory that 25 percent shall be spent on these secondary and feeder roads in every congressional district in the United States. This will prove to be the most popular provision of the bill. The only way we can appropriate money for this purpose under the Constitution is to appropriate it for rural post roads. Adopt this amendment and it will be carrying out the wishes of our constituents.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. MAY. This legislation is for the purpose of building roads; that is the purpose for which the money is to be appropriated. Does not the gentleman think it would be of decided advantage in this particular amendment to

specify the places and projects for which the money should be earmarked?

Mr. FULLER. Certainly. We all know it to be a fact that in some of the States a Congressman is looked upon as just a joke when he tries to say anything about the places in his State where money appropriated by Congress is to be expended; the State highway commissions pay no attention to him. Pass this amendment and they will pay attention to Congressmen, and you will have the experience of seeing this money spent in every congressional district reaching out into the byways and hedges; and relief will be afforded where it is most sorely needed.

Mr. CARPENTER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. CARPENTER of Kansas. Many counties rely on this money to afford relief in caring for the poor, and they now are asking that 50 percent of this money be earmarked as proposed by the gentleman in his amendment. The time has come when rural and farm-to-market roads should be improved, especially during these trying times. If State highway commissions and the Bureau of Public Roads desire further cooperation and appropriations, they had better carry out the intentions of Congress and stop using all the money for Federal and high-class State roads.

In the building of these feeder or rural roads Congress does not intend that the money should be used for surveys and plans on a large scale, nor for the spending of thousands of dollars per mile. If present conditions are not corrected, I predict that much of this money will be allowed to counties to be distributed by the county road commissions.

Mr. FULLER. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

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

There was no objection.

Mr. FULLER. I wish to ask the gentleman from Iowa [Mr. DOWELL], who has served so many years on this committee, how he feels about specifically earmarking 25 percent of this fund for this specific use? He is well acquainted with Mr. MacDonald and Mr. MacDonald's views with reference to this work.

Mr. DOWELL. I am heartily in favor of it. I think it ought to be adopted. Mr. MacDonald is one of the finest road engineers in the country.

Mr. FULLER. In that I fully concur and know he desires the rural roads should receive aid.

Mr. DOWELL. I think we ought to follow his suggestions.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Ohio very kindly submitted substantially the same amendment to the Chairman of the Roads Committee 2 or 3 days ago. The gentleman from Arkansas submitted the amendment to the committee during the general debate. Members of the Roads Committee considered the amendment and referred it to the Chief of the Bureau of Public Roads because it was thought by members of the committee that in writing substantive legislation we should be careful. It is rather difficult to get it written properly on the floor of the House.

I call attention to the fact that this is an authorization for a grant. The Federal Government cannot build all the roads in a State. I am in sympathy with those who speak for the feeder roads. This authorization provides for the expenditure of the money under the provisions and allocations of section 204 of the National Industrial Recovery Act of 1933. This section provides in paragraph 2 for expenditure in emergency construction of secondary or feeder roads to be agreed upon by the State highway departments and the Secretary of Agriculture.

The pending amendment is that not less than 25 percent be applied to secondary or feeder roads. I cannot see that repeating the language here is going to change the meaning.

Mr. DOWELL. Will the gentleman yield?

Mr. WHITTINGTON. In just a moment I shall be glad to yield to the gentleman if he will give me a chance to make

my statement. I am profoundly interested in improving these secondary roads.

I repeat, we are using Federal money not to match but to grant, and it strikes me that we had better follow the liberal provisions that we made last year in order to satisfy our friends from the cities and populous States. There was a regulation that 25 percent be expended in the cities and 25 percent in secondary or feeder roads. The regulations provided not to exceed 25 percent for feeder roads. That is the difference here. The bill contemplates not to exceed 25 percent, and the amendment not less than 25 percent.

I referred the matter to the Chief of the Bureau of Roads, and I want to read to you his report; quoting from a letter to me from Thomas H. MacDonald, Chief of the Bureau of Public Roads, dated March 9, 1934, in response to my request for his opinion as to said amendment:

With respect to the further proviso that not less than 25 percent of the amount of the appropriation shall be applied to secondary or feeder roads, including farm-to-market roads, mail roads, and public-school-bus roads, it is believed that such a provision would work a hardship in some of the States that are so far behind in the improvement of their main highways. It is suggested, therefore, that any provision along this line should be limited to not more than 25 percent and preferably that it should be left to be taken care of in the certificate of apportionment and in the regulations in a similar manner to what was done when the \$400,000,000 was apportioned among the States on June 23 of last year.

Mr. MacDonald says wherever it is possible to put that program in effect it is being done. He calls attention in this letter, from which I read, to the fact that Congress did not undertake to make the allocation in the act last year and that provision was made for 50 percent to be allotted to Federal highways, 25 percent to municipalities, and 25 percent to feeder roads by regulation. Here is the language of the regulation; I believe that it is sufficient. If in Ohio and if in Arkansas you want more feeder roads and can otherwise comply with the Federal regulations in connection with the expenditure of the money, it can be taken care of, because here is the regulation; and I quote the regulation:

Not more than 50 percent of the funds apportioned to any State under this act shall be applied to projects on the Federal-aid highway system outside of the corporate limits of municipalities; not less than 25 percent of such funds shall be applied to projects on extensions of the Federal-aid highway system into and through municipalities; and not more than 25 percent of such funds shall be applied to secondary or feeder roads until provision has been made for the satisfactory completion of at least 90 percent of the initial limiting Federal-aid highway system in such State.

This 90-percent provision was inserted in a highway bill reported by the committee at the request of our friends from Ohio a few years ago.

Here is the further regulation:

Upon a proper showing by any State that, either all needed improvements on extensions of the Federal-aid highway system into and through municipalities can be completed with an expenditure less than 25 percent of the State's apportionment, or that municipal authorities are unable or unwilling to obtain the necessary rights-of-way for needed improvements, or for other reasons, the Secretary of Agriculture may revise the above percentages with reference to such State. The reconstruction of existing facilities that are adequate for traffic shall not be considered needed improvements.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that I may proceed for 4 additional minutes.

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

There was no objection.

Mr. WHITTINGTON. Mr. MacDonald concludes the communication by saying:

It is believed that it will be much more desirable from the standpoint of the States as a whole.

We are legislating for the Nation. There must be some flexibility. The Chief of the Bureau of Public Roads has demonstrated that he wants to comply with the desires of our friends from Ohio and elsewhere where he can. Let us not hinder those States that have not completed as much as 40 or 50 percent of their highway program.

Mr. MacDonald states and I quote further from said letter to me:

It is believed that it will be much more desirable from the standpoint of the States as a whole to fix the percentage applicable to secondary or feeder roads by the method followed last year as indicated by the above quotations from the certificate of apportionment and the regulations, than to incorporate such provisions in the statute where it would be less flexible for meeting particular situations.

The committee follows his recommendation and thinks the amendment unnecessary and that it should be left to regulation rather than statute.

Mr. MAY. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Kentucky.

Mr. MAY. In the last appropriation we made of \$3,200,000,000 for public works were certain allocations for highways.

Mr. WHITTINGTON. Yes.

Mr. MAY. Under the very regulations that the gentleman has read, is where all of these abuses that were discussed on the floor of the House and these discriminations have occurred. May I ask the gentleman as one Member out of 435 of the House if he knows what is being done with the \$3,200,000,000 which we appropriated.

Mr. WHITTINGTON. I will be glad to discuss that with the gentleman anytime. For my part I favor earmarking all Public Works funds, including highway, flood-control, public buildings, and river and harbor improvements.

Mr. FULLER. There is 75 percent earmarked now. The gentleman from Mississippi does not seek to leave the impression before the House that he is speaking for the chairman and all the members of the committee when he says that they are opposed to this amendment I offered?

Mr. WHITTINGTON. No. I endeavored to answer the gentleman's question. I am sympathetic with the gentleman's purpose, but I believe as a member of that committee or of any other committee that it is my duty, as it is yours, and I think the Members will agree with me, to give the facts to the House and when Mr. MacDonald was quoted here as favoring the amendment that the gentleman proposed, I thought the House was entitled to have the statement that Mr. MacDonald made on the subject.

Mr. FULLER. I know the gentleman has been of great service to the country, but I did not think he was attempting to quote the chairman or the members of the committee when he said they were opposed to my amendment.

Mr. WHITTINGTON. No. I was reading from a letter of the Chief of the Bureau of Roads in response to my request for his report on your amendment and I want to say in all fairness that no matter how sympathetic I may be with the gentleman's amendment and his purpose, in my judgment, it is better to go along with the act as it was written last year.

[Here the gavel fell.]

Mr. CARTWRIGHT rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. CARTWRIGHT. Mr. Chairman, may I put the gentleman right as to the amendment?

Mr. FULLER. Did not the gentleman tell me he was for the amendment not 5 minutes ago?

Mr. CARTWRIGHT. I said I was not sure.

Mr. JENKINS of Ohio. Mr. Chairman, I rise in favor of the amendment.

This is the same amendment which heretofore in these discussions has been referred to as the "Jenkins amendment." Mr. Fuller introduced it with my approval. I am glad to see the sentiment of the House is overwhelmingly for the amendment, and I appreciate it. It is very evident there is no serious opposition to this amendment and, on the contrary, there is overwhelming support for it. As to the gentleman from Mississippi [Mr. WHITTINGTON], who sought to quote Mr. MacDonald, I should like to say for his information and for the information of all those who would like to support this amendment, that an interview

by an engineer from my district with Mr. MacDonald and his assistants was responsible for the agitation out of which this amendment comes.

I am not here to speak for Mr. MacDonald, but I know, with all the certainty that I know anything, that he will not oppose this amendment in the least, and I defy anybody to take that letter and find in it any serious opposition to the amendment.

Let me review the facts, Mr. Chairman. Many of you were not here at the inception of this discussion and may not appreciate how this question comes up.

Mr. MAY. Will the gentleman yield?

Mr. JENKINS of Ohio. Yes; I yield to the gentleman from Kentucky.

Mr. MAY. If we leave it to Mr. MacDonald and he leaves it, under his regulations, to the State departments or commissions, as he did last year, the matter will be handled in the same way, will it not?

Mr. JENKINS of Ohio. Yes; and I will say to the gentleman that under the language of the N.I.R.A. a State director of highways has much more authority than Mr. MacDonald, the Federal Director, and I will read the language to you and prove it. Let us read the language:

For expenditure in emergency construction on secondary and feeder roads to be agreed upon by the State highway department and the Secretary of Agriculture.

This is the language and under this language they are both on an equality, but here is the important language, in the next two lines:

Such grants shall be available for payments of the full cost of surveys, plans, improvements, and construction of secondary or feeder roads on projects which shall be submitted by the State highway departments.

Mr. MAY. That is it exactly.

Mr. JENKINS of Ohio. The State highway department has more authority than Mr. MacDonald, and when we could not get action out of the State highway department we came to Mr. MacDonald to interpret this language, and the language is that not more than 25 percent shall be spent. An expenditure of \$1 would meet that requirement. Mr. MacDonald, or one of his assistants, told my people that if we would lay down the law to the State highway department he would do as we wished. But we had no way to lay down the law to him but to array public sentiment, and we arrayed public sentiment by getting every Rural Free Delivery man and every superintendent of schools and every county commissioner, as well as everybody else in that section of the State, interested and we went up to the Governor, and while he is a Democrat, he is a good fellow, and I am not here to say anything against him. [Applause.] He told us in the privacy of his own chambers what he would do, but in the State of Ohio, as everybody who lives in that State knows, we have a highway director who is more powerful than the Governor. He has the machine and the organization; but we got an assurance from the Governor that would justify us in believing that we would get one fourth, or the full 25 percent. But how much did we get? He meant to do it—and I am not criticizing him unduly—but he could not do what he should do, because the highway director wanted to keep his machine oiled up, and we only got about \$600,000 for C.W.A. and everything else. We should have gotten four million.

Now, listen to this: In Ohio there are hundreds of miles of C.W.A. work started for the benefit of the country people that could not be finished, and this money will finish those roads, and you gentlemen from Ohio know this is right. The Congressman from Ohio whose district adjoins mine knows it is right, and I may say that there is not a Democratic Congressman from Ohio who should oppose this amendment, because he knows the situation there. I do not want to make it an Ohio issue, and it is not necessary to do that. While Ohio is the greatest State in the Union, it is not necessary to make this an Ohio issue. [Laughter.]

Mr. WHITTINGTON. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. WHITTINGTON. Is it not true—and I call attention to page 22 of the hearings—there was allocated \$3,800,000 to secondary or feeder roads in Ohio?

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

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

There was no objection.

Mr. JENKINS of Ohio. May I answer the gentleman in this way? I cannot give the exact figures, but the last time I saw the figures the State of Ohio had not used up half of its money, because of inefficiency of administration and politics, and the same thing is true in other States.

Mr. SECREST. If the gentleman will yield, I think I can answer the gentleman's question. Three million six hundred and seventy-seven thousand dollars had been allocated to secondary roads on May 5.

Mr. WHITTINGTON. Yes; that is right.

Mr. SECREST. But only \$600,000 of that amount was on county or township roads, and the rest was on State feeder roads.

Mr. WHITTINGTON. They are secondary roads, nevertheless.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. VINSON of Kentucky. As I recall, in the consideration of the N.I.R.A. before our committee last year, it was the intention of our committee to broaden the definition of secondary or feeder roads so as to include roads which, under the regulations of the Bureau of Roads, had not theretofore been considered feeder roads.

Mr. JENKINS of Ohio. Yes. The gentleman is exactly right, and I explained that a while ago, and I am pleased that the gentleman supports my amendment. His support will go far toward aiding its passage.

Mr. MAY. This simply shows that the definition of the term is left to the State commissioner or the State director.

Mr. JENKINS of Ohio. Yes; and we want to clarify that language and make it definite and certain.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. JENKINS of Ohio. Yes; if I have any time remaining.

Mr. WHITTINGTON. Does the gentleman think it is fair and just to pick out 25 percent of the roads and make a definite allocation to them and not do a thing for the large and populous cities in your State?

Mr. JENKINS of Ohio. I will answer the gentleman in this way: If I had my way, I would take 50 percent of it and use it on the main market thoroughfares and Federal roads, and the other 50 percent I would give to the secondary or feeder roads and to the country roads. That is what I would do about it. Let us get the country people out of the mud. Let us give the countryman and small-town man a chance with his team or with his hands to make a living. [Applause.]

[Here the gavel fell.]

Mr. HASTINGS. Mr. Chairman, I want everybody to understand that this is a friendly amendment. There is no man in or out of Congress that is a greater road enthusiast than I am. I favor road improvement. From 1916 to the present I have voted for every road appropriation. I am for this bill.

But this is Federal money. I feel that it has not been equitably expended heretofore throughout the several States. Inasmuch as this is Federal money, I think we ought to earmark it.

I had prepared an amendment to require a certain amount to be expended for the improvement of all rural mail routes and star routes. If these improvements were made, then the county commissioners would have enough money to connect the roads up with connecting links. I venture the assertion that there is not a congressional district in the United States that, if the people had their way, they would not vote for this amendment, and would want their repre-

sentatives in Congress to vote to have inserted in this bill more in detail how this money should be spent.

I know in my State the feeder roads have been interpreted to mean State highways. I know this money has not been expended on the farm-to-market roads.

That is what I am trying to have done in supporting this amendment to this bill. I want the money earmarked, and make it certain that more money is to be spent in the improvement of the farm-to-market roads—that they shall be graded and improved so that the farmers who live in the rural sections will be able to use them. I want it to provide that the money shall be spread more equitably throughout every county and congressional district. As a friend of road legislation and as a friend of this bill, I am in favor of the amendment.

My only fear is that the amendment is not sufficiently definite. It refers to secondary or feeder roads and is almost if not the exact language contained in section 204 of the National Recovery Act. I am afraid that if this amendment is not clarified it will be interpreted the same way by the Director of Roads. I am in favor of this amendment or any amendment that will direct that the money be expended on the rural roads. The amendment I had prepared made it mandatory to improve all roads over which the mail is carried, either rural routes or star routes.

[Here the gavel fell.]

Mrs. McCARTHY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment to the amendment by Mrs. McCARTHY: After the word "routes" in the amendment insert the following: "Such expenditure to be made under the supervision of the State re-employment director in cooperation with the county commissioners in the county where the money is allocated."

Mr. FULLER and Mr. WHITTINGTON made a point of order.

The CHAIRMAN. What is the point of order?

Mr. FULLER. The amendment is not germane, and it is contrary to organic law. The organic law is that it shall be controlled by the highway department. I will reserve the point of order.

Mrs. McCARTHY. Mr. Chairman, a point of order might be sustained if this was a case of matching Federal funds with State funds, but it should be recognized that there is no matching of funds under this bill. This is an outright grant, a relief measure, if you please, intended to relieve unemployment, and this bill will be of practically no benefit in my own district. According to recent headlines in the newspapers, western Kansas has had the driest 4 months in the history of the Weather Bureau established in 1883. This morning's Washington Post quotes Secretary Wallace as stating that the country is losing a million bushels of wheat a day on account of drought conditions. We already have a 60-percent loss of crops in my own district. The Federal Highway Commission recently sent me a map showing how they propose to allocate the funds that they are expecting to receive under this bill. Very few of my counties—and there are 26 of them, comprising one fourth of the entire State of Kansas—will share to any great extent in the benefits granted under this bill. What are you going to do for those hundreds of farmers in that drought-stricken area, when they have lost 60 percent of their crops and when they are shipping their stock out because of lack of water? The only way that we can get any benefit to earmark one fourth of these funds for use on farm-to-market roads and rural routes; and this amendment is germane because it is a relief measure and it is an allocation of relief funds to aid the unemployed.

It is incidental that part of these public works and relief funds are to be used for road work instead of public buildings, and that designation is immaterial. I ask the Members of this House to support this amendment if we really intend it to be an unemployment relief measure. In my own State, the highway commission will use these funds for political purposes, as they have in the past, according to the dozens of

letters of protest received in my office. Most of the money they will get will be spent in the eastern part of the State where the vote is the heaviest, and the rewards will go to the political workers, rather than being allocated on the basis of need for road building or unemployment relief; in other words, trafficking in politics at the expense of suffering humanity. Under the map submitted to me by the State highway commission, my own county was not to receive one dime of these funds, and several other counties in the Sixth District of Kansas would not share in the benefits under this bill. I ask support of this amendment.

Mr. CARPENTER of Kansas. Mr. Chairman, will the gentleman yield?

Mrs. McCARTHY. Yes.

Mr. CARPENTER of Kansas. I think this amendment should be so that each county or all of the roads are assured of their proportionate share, and it should not be left to the situation the gentleman describes, where a few of the counties in the eastern part of the State will get it all.

Mrs. McCARTHY. That is true.

Mr. FULLER. Mr. Chairman, while I am in favor of the principle advocated by the gentleman's amendment, yet I maintain that it is not germane and is subject to a point of order, and I make the point of order.

The CHAIRMAN. The Chair is ready to rule. The amendment to the amendment seeks to change the organic law. The original amendment seeks only to limit how the fund shall be used, and the amendment to the amendment is clearly not germane. The Chair sustains the point of order.

The question is on the amendment offered by the gentleman from Arkansas.

Mr. WHITTINGTON. Mr. Chairman, may we have the amendment again reported?

There was no objection, and the Clerk again reported the amendment.

The question was taken, and the amendment was agreed to.

Mrs. KAHN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mrs. KAHN: Page 2, after the last word of the previous amendment, strike out the period, insert a colon and the following: "Provided further, That no part of any money authorized to be appropriated by this act shall be used to purchase or contract for any article other than those of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States cost more, if such excess of cost be not unreasonable.

Mr. WHITTINGTON. Mr. Chairman, I make the point of order against the amendment.

Mrs. KAHN. Mr. Chairman, will the gentleman withhold his point of order?

Mr. WHITTINGTON. Yes.

Mrs. KAHN. Mr. Chairman, this amendment is exactly like the limitation put on every appropriation bill applying to the major departments of the Government. It is, word for word, the limitation put on the War Department and on the Navy Department and on the other department bills. If this bill is really a bill for relief and to relieve unemployment, it seems to me that if we can extend it to lines other than road building without being detrimental to the main object of the bill it should be done. It will help thousands of workmen in other branches of labor besides construction. Regarding the point of order raised against this amendment, as this is part of every other appropriation bill and is a limitation upon the appropriation, I do not see how it is out of order.

The CHAIRMAN. Does the gentleman insist upon his point of order?

Mr. WHITTINGTON. I do.

The CHAIRMAN. Does the gentleman want to be heard on his point of order?

Mr. WHITTINGTON. I ask that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment of Mrs. KAHN.

There was no objection, and the Clerk again reported the Kahn amendment.

Mr. WHITTINGTON. Mr. Chairman, it strikes me that the amendment is not germane to this legislation. I am not speaking to the merits.

Mr. MARTIN of Massachusetts. Will the gentleman yield? Does he not think it is a limitation?

Mr. WHITTINGTON. That is a proper place for such legislation, but it would not be here. The bill has to do with the allocation of funds among the States; not with the material that shall be used by a contractor. I suggest that it is not germane. It may be contradictory, also.

Mr. DINGELL. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. DINGELL. The bill specifically provides under the amendment just passed, where the Chair overruled the point of order, that we could pass upon the question of the allocation of these funds, whether they are for primary or secondary roads.

Mr. WHITTINGTON. I have no objection to allocation, but the amendment has nothing to do with allocation. It has to do with the kinds of materials used.

Mr. DINGELL. The same principle is involved.

The CHAIRMAN (Mr. GLOVER). The Chair is ready to rule. A similar question was raised on December 9, 1930. Chairman SNELL was presiding, and it was decided on that occasion that the amendment was germane. The Chair, therefore, overrules the point of order.

Mr. WHITTINGTON. Mr. Chairman, I do not care to detain the committee, except to say that I do not know that I am prepared to say what the effect of this amendment would be; but I do insist, Mr. Chairman, that the better course would be for the Members who desire to have the substantive law changed to present those matters to the Roads Committee. I do not know what the State highway commissions or the Director of the Bureau of Roads would say with respect to this character of legislation. Personally, I think it should be left to the States. I know we have passed acts of Congress to go as far as we could to provide for the use of domestic products in Government works, but I am not prepared to say whether the program provided by this act would be promoted by such an amendment. For that reason it is my thought that the amendment should be voted down. It should come along in the regular order, so the Committee on Roads could investigate and report. There is existing legislation requiring the use of domestic products where practicable. It strikes me that the amendment is for the benefit of the oil companies and oil magnates, and is not in the interest of highway construction. The existing law on the subject is ample and is satisfactory to all except the selfish oil interests.

The CHAIRMAN. The question is on the amendment offered by the lady from California [Mrs. KAHN].

The question was taken; and on a division (demanded by Mrs. KAHN) there were ayes 48 and noes 79.

Mr. MARTIN of Massachusetts. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mrs. KAHN and Mr. CARTWRIGHT to act as tellers.

The Committee again divided; and the tellers reported there were ayes 53 and noes 92.

So the amendment was rejected.

Mr. THOMPSON of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of Illinois: On page 2, after the word "routes" in the Fuller amendment, strike out the period, insert a colon, and add the following: "Provided further, That any funds allocated under the provisions of section 204 A (2) of such act shall also be available for the cost of any construction that will provide safer traffic facilities or definitely eliminate existing hazards to pedestrian or vehicular traffic."

Mr. THOMPSON of Illinois. Mr. Chairman, the purpose of this amendment is to make the funds authorized by this legislation available for the construction of facilities that will make grade crossings safer for pedestrians as well as vehicular traffic. Under the National Recovery Act, section 204, this same provision was included, but it applied only

to State and Federal-aid roads. My amendment would make this money available for that kind of protection on the secondary or feeder roads. It is exactly the same language as is included in the other section of the basic law in this case, section 204 of the National Recovery Act. I have discussed this with the chairman of the committee, and I believe it is acceptable to the committee.

Mr. CARTWRIGHT. Mr. Chairman, I am instructed by the committee to accept the amendment offered by the gentleman from Illinois [Mr. THOMPSON].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. THOMPSON].

The amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 1, line 7, after the word "of", strike out "\$400,000,000" and insert in lieu thereof "\$200,000,000."

Mr. TABER. Mr. Chairman, if we do not get to the point where we stop this large spending of money and getting nowhere, with conditions getting worse all the time as the result of this large expenditure of money and more people on the relief rolls all the time, we will never get out of the depression.

Now, let us pass this amendment and cut down the amount of this authorization and start in the right direction.

It appears in the hearings in this case that it would take about \$3,000 to put one man to work for a year on these jobs. One million three hundred and fifty-four thousand is the number that the Commissioner estimates will be employed at the peak, and I am using that figure, and I am also using the figure of \$450,000,000 which is the amount of money that will be available under this bill, under the State appropriation, and under the appropriation already made by the Agriculture Department bill. That means \$3,000 to put one man to work. We cannot relieve unemployment on that basis and get by with it. We might just as well realize it now as a couple of years from now when we will be so deep in the slough that we will never get out.

I hope that the House will adopt this amendment and cut this amount down.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KELLER. Does the gentleman hold that when one man is put to work by reason of the appropriation of this money that nobody else is put to work to supply materials?

Mr. TABER. The estimate that the Chief of the Bureau of Public Roads has made is that the number directly and indirectly to be employed at the peak—not the average, remember—will be 1,354,000 men. That estimate appears at page 1 of the hearings.

Mr. KELLER. Does the gentleman mean to say that nobody else will be put to work except that number?

Mr. TABER. That is the number who will be put to work directly and indirectly according to this estimate.

Mr. KELLER. Then I challenge the estimate.

Mr. TABER. It is the testimony of the Chief of the Bureau of Public Roads.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mrs. KAHN. Had my amendment been adopted, hundreds of thousands of other men would have been put to work because it would have opened up the industries of this country.

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

Mr. TABER. I yield.

Mr. WHITTINGTON. Let me remind the gentleman that this authorization is not for the next fiscal year only, but may cover 2 years. It is a total authorization. If the gentleman's amendment is adopted, we would have a less appropriation than we had in 1932.

Mr. TABER. If we adopt this amendment and cut the amount down, we will have made a start toward holding things down.

Mr. CARTWRIGHT. Mr. Chairman, the committee has thoroughly discussed this. The committee has presented the best bill they could work out.

Mr. Chairman, I move that all debate on the pending amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The amendment was rejected.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD: Page 2, line 4, after the colon, insert the following: "Provided, That the amount granted under this act to any State shall be pro rated for expenditure in the counties or similar political subdivisions of such State in accordance with the number of unemployed (as certified by the Federal Emergency Relief Administration reports) in said political subdivisions, notwithstanding any law of such State to the contrary."

Mr. WARREN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. WARREN. Mr. Chairman, this amendment certainly is not germane for it proposes an entirely different system of allocation of the funds.

This matter has already been discussed but if the gentleman wishes to make a statement I will reserve the point of order. I think, however, it is very clear that the amendment is not germane.

The CHAIRMAN. Does the gentleman from California wish to be heard on the point of order?

Mr. FORD. Mr. Chairman, I call attention to the fact that the Chair overruled a point of order against a similar amendment offered earlier this afternoon.

My amendment is merely a continuation of the subject dealt with in the first section, unemployment relief. The language in my amendment does not deal with the allocation of the money by the Federal Government but only by the States after they have received it.

Mr. SABATH. Mr. Chairman, this amendment is purely a limitation.

The CHAIRMAN. The Chair is ready to rule. The amendment is in the nature of an amendment to existing law. The Chair sustains the point of order.

Mr. CARTWRIGHT. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. MARTIN of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Massachusetts: Page 1, line 9, after the figures "1933", insert the following: "except that where said section reads "one eighth" it shall hereafter read "one quarter."

Mr. MARTIN of Massachusetts. Mr. Chairman, it is not my purpose to take up any great amount of time in the discussion of this amendment. I have talked about it at length previously in the consideration of the rule.

I hold that if this were a bill carrying the usual amount, that the allocation decided upon might be reasonable. When we raise the amount from \$100,000,000 to \$400,000,000 it puts the measure in the classification of an appropriation to relieve unemployment. This being the case, the large industrial centers, with their many hundreds of thousands of unemployed, should be given more consideration than they are getting. I have, therefore, offered this amendment.

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

Mr. MARTIN of Massachusetts. I yield.

Mr. WHITTINGTON. Will the gentleman state the purpose of the amendment?

Mr. MARTIN of Massachusetts. The purpose of the amendment is to double the amount allocated on the basis of population.

Mr. WHITTINGTON. What census does the gentleman take as the basis of population?

Mr. MARTIN of Massachusetts. I take the basis assumed in the original N.I.R.A. Act. In that act the figure carried is one eighth. By this amendment I seek to make it one quarter.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the Clerk may again read the amendment of the gentleman from Massachusetts.

The CHAIRMAN. Without objection, it is so ordered.

There being no objection, the Clerk again read the Martin amendment.

Mr. WHITTINGTON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The point of order comes too late; the amendment has already been discussed.

Mr. MARTIN of Massachusetts. The question is whether you want to give simple justice to the industrial States with their many thousands of unemployed people and raise the amount which might be allocated for their relief. I am not going to say anything more because every one in the House knows the purpose of the amendment.

Mr. GILCHRIST. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Iowa.

Mr. GILCHRIST. The provisions of the gentleman's amendment would not distribute the money to human labor as opposed to machinery. Section 206 of the N.I.R.A. did provide that the money should be expended as follows:

Provided further, That human labor shall be used upon such construction projects in lieu of machinery wherever practical and consistent with sound economy.

Mr. MARTIN of Massachusetts. My amendment does not affect that matter one way or the other.

Mr. GILCHRIST. But this is a relief measure.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, with all deference to the gentleman, there are three matters governing in the matter of distribution. The amendment is loosely drawn. It covers only the matter of population and omits area and mileage. The gentleman is trying to increase the allocations to the more populous States, but he is likely to get both his State and every other State in trouble. The wealthier and more populous States were among the first to absorb their allotments of the \$400,000,000 in 1933.

Mr. Chairman, I think the amendment should be voted down.

Mr. SABATH. Mr. Chairman, I rise in support of the amendment of the gentleman from Massachusetts.

Mr. DOWELL. Mr. Chairman, I make the point of order that the gentleman is not entitled to the floor. The one who is entitled to the floor is one who opposes the amendment, and I rise in opposition to the amendment.

Mr. SABATH. The gentleman who preceded me opposed the amendment.

Mr. MARTIN of Massachusetts. Mr. Chairman, the gentleman has been recognized already.

Mr. DOWELL. But the gentleman is not entitled to recognition.

Mr. MARTIN of Massachusetts. That stage has been passed.

Mr. DOWELL. It has not been passed. I make the point of order.

The CHAIRMAN. The gentleman from Mississippi was recognized in opposition to the amendment. The gentleman from Illinois is now recognized in support of the amendment. The point of order is overruled.

Mr. SABATH. Mr. Chairman, I am of the opinion that the gentleman from Massachusetts is not right very often, but this time he is right.

The gentleman by his amendment aims to provide employment in the sections of the country and in the States where there is the greatest unemployment. This legislation is in that direction. We are informed that it is for the

purpose of providing employment. If that is the case, we should proceed with these improvements and with the road building in the sections that will give employment to these unfortunate people for whom nothing has been done.

In the large centers we still have nearly all of our labor unemployed. We are aiding the farmers, and we are aiding the rural sections, but unfortunately the people in the large centers have not been aided to the extent that they should. We still have thousands upon thousands who have been unemployed for 2 or 3 years. They are the heads of large families and they are seeking employment. They desire to work. They are not desirous of being on the charity rolls any longer. They want to earn their own living. And why should they not be given the opportunity?

Mr. CARTWRIGHT. Mr. Chairman, a point of order. All time has expired on this section.

Mr. SABATH. The time has not expired. And this should not be taken out of my time either.

Mr. CARTWRIGHT. Mr. Chairman, all time on this section has expired.

The CHAIRMAN. All time has not expired, I am informed.

Mr. CARTWRIGHT. This has been gone over and over again, and there is no use repeating what has already been said.

Mr. SABATH. It might have been gone over. The gentleman has covered a lot of things over and over again; but I am sure he has done an injustice to the people who are entitled to justice. I am only pleading for the most deserving people of our Nation.

I voted for all these appropriations—for the cotton bill and for every other bill that was brought in by you gentlemen—and I will vote for this bill; but I feel that the employment which will be created by the appropriation of the \$400,000,000, and a right proportion of it, should be used in the communities where it is needed most.

Mr. DONDERO. Will the gentleman yield?

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

Mr. DONDERO. Is it not true that the unemployment distress is greater by percentage in the large and populous cities?

Mr. SABATH. There is no question about that, and the statistics will demonstrate it clearly. I again plead with you gentlemen to be fair and just to the hundreds of thousands of people that have had no chance to earn a dollar in the last few years.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARTIN].

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 31, noes 99. So the amendment was rejected.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word.

Mr. WHITTINGTON. Mr. Chairman, I make the point of order that general debate on this section has been exhausted.

Mr. DOWELL. May I propound a question to the gentleman?

Mr. WHITTINGTON. Will the gentleman wait until we get to the next section?

Mr. DOWELL. Yes.

Mr. WHITTINGTON. Mr. Chairman, I withdraw the point of order.

Mr. GILCHRIST. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GILCHRIST: On page 2, line 8, after the word "state", strike out the period and insert a semicolon and add the following: "*Provided further, That the maximum of human labor shall be used in the construction of such construction projects in lieu of machinery wherever practicable and consistent with sound economic and public advantage.*"

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GILCHRIST].

The amendment was rejected.

The Clerk read as follows:

SEC. 2. To further increase employment by providing for emergency construction of public highways and other related projects, there is hereby also authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of not less than \$50,000,000 for allotment under the provisions of section 205 (a) of the National Industrial Recovery Act, approved June 16, 1933 (in addition to any sums heretofore allotted under such section), to be expended for highways, roads, trails, bridges, and related projects in national parks and forests, Indian reservations, and public lands, pursuant to the provisions of such section, and to remain available until expended.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment, in line 13, page 2, after the word "of", strike out the words "not less than."

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 2, line 13, after the word "of", strike out the words "not less than."

The amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 2, line 13, after the word "than", strike out "\$50,000,000" and insert in lieu thereof "\$25,000,000."

Mr. TABER. Mr. Chairman, I have offered this amendment to reduce the appropriation for forest roads and trails and that sort of thing from \$50,000,000 to \$25,000,000.

The average expenditures in normal times for this particular purpose were something like \$7,000,000 or \$8,000,000. I do not believe it is necessary to go any further than this to take care of the things that need to be done along this line. We will spend a great amount of money and we will get nothing for it if we go on with these large expenditures for this particular purpose, and I think \$25,000,000 is enough. In addition to this, I understand there will still be left about \$40,000,000 of P.W.A. money in the year 1935, so that, if the amendment is adopted, there will be about \$65,000,000 to spend.

Mr. MOTT. Mr. Chairman, I rise in opposition to the amendment. I wonder if gentlemen from the East who object to so large a proportionate allotment for roads in national forests and through public lands understand either the importance or the size of these public lands or what part of the scheme in national road building they include.

The public lands of the United States embrace an area almost as large as all the States of the Atlantic seaboard. My own State of Oregon is as large as all New England, and more than half of its area is Federal land. You cannot cross from one State to another in the West without going over a part of the public domain. You cannot cross from the eastern to the western part of any of the Pacific Coast States or of any of the Rocky Mountain States without traveling for miles over a part of the public domain.

Now, in order to make a national system of highways throughout the country the Government must provide in every road-building program for roads and highways to be built in the public domain, and, obviously, the Government must build these roads at its own expense. The Western States cannot be expected to tax themselves to build roads on Government land.

In an appropriation of \$400,000,000 for road construction in the several States an allotment of \$50,000,000 for roads on the public domain is a very small amount indeed, and anything less than \$50,000,000 for this item in a road-building program of \$400,000,000 would be detrimental to the program contemplated by this bill and wholly unjust to the land-grant States where so much of the road mileage is in the public domain. I hope, for these reasons, the amendment will be voted down.

Mrs. GREENWAY. Mr. Chairman, I move to strike out the last word.

I want to speak for a minute in protest against this amendment, and I want to plead with those people who have great, rich populations and States, and when I do it I recognize, as every man and woman sitting in this House recognizes, the fact that there is no one of us but has a district with unemployed friends in that district who must be cared

for; but this is not a program for congested districts. This is a program for those of us who have roads to build and national parks and trails and scenery, and it offers to those of us who are destitute in the big States, whose areas are great and whose populations are small, the kind of relief that keeps men's souls alive, the kind of relief that means real work and real wages and a sense of peace in a job that will last.

While I am talking about this I should like to say that I do not think any of us should leave and go home until we have put our names back of a bill taking care of the unemployed of the United States until we get back next January. [Applause.]

Mr. CARTWRIGHT. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and the amendment was rejected.

Mr. DIMOND. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 20, strike out the period after the word "expended", insert a comma and add the following: "and the further sum of not more than \$10,000,000 for allotments under the provisions of sections 202, 203, and 205 (b) of said National Industrial Recovery Act (in addition to any sums heretofore allotted under such section for the purposes hereinafter mentioned) to be expended for the construction, repair, and improvement of public highways, roads, trails, and bridges, and related projects, in Alaska, Canal Zone, Puerto Rico, and the Virgin Islands, and to remain available until expended."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order that this is not the proper place for the amendment. This section refers to highways, roads, trails, bridges, and related projects in national parks and forests, and so forth, and has no relation to Territories. The amendment is not germane at this point.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

SEC. 3. There is hereby also authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000,000 for an emergency relief fund, which shall be available for expenditure by the Secretary of Agriculture, in accordance with the provisions of the Federal Highway Act, after receipt from a State or States of application therefor, in the repair or reconstruction of highways and bridges on the system of Federal-aid highways damaged or destroyed by floods, hurricanes, earthquakes, or landslides when he shall find, after investigation, that the damage to or the destruction of such highways or bridges has resulted from such unusual or extraordinary condition.

Mr. TABER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 21, strike out all of section 3.

Mr. TABER. Mr. Chairman, I do not see any excuse for going ahead and authorizing an appropriation of \$10,000,000 for emergency relief. If we are going to do something like this, we are delegating the authority to the Secretary of Agriculture to do things that ought not to be done unless Congress itself passes on each individual case.

If a case is not important enough to justify Congress in passing on it, it ought not to be included here.

We ought to take these things up from time to time if they are important.

Mr. MAY. Will the gentleman yield?

Mr. TABER. Yes.

Mr. MAY. Suppose a cyclone or tornado or earthquake wrecks a community when Congress is not in session.

Mr. TABER. You are not going to do anything with this except to have an appropriation in the Treasury for the Secretary of Agriculture to monkey with. I do not believe Congress is going to vote this kind of an appropriation.

Mr. COCHRAN of Pennsylvania. What States are intended to be benefited by this appropriation?

Mr. TABER. They have not let us in on that; we do not know; but they are going ahead to make a blind authorization. If the proposition has not merit enough to come before

Congress before it is passed on it ought not to be passed on at all.

Mr. WARREN. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Arkansas [Mr. DRIVER] this morning particularly referred to this section of the bill, stating that it was one of the best features in it.

Section 3 comprises a bill that I have introduced for the last 6 or 7 years, and which was always strangled in the Roads Committee under Republican chairmanships.

It is admitted that practically all of the States are no longer, in the event of an emergency, able to provide further money to match any Federal appropriation. This simply provides that in case of a great calamity, such as floods, hurricanes, cyclones, earthquakes, where great destruction of Federal-aid roads occurs, the Secretary of Agriculture, in his discretion, can go there and by a lump sum immediately relieve that section.

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

Mr. WARREN. Yes.

Mr. SNELL. In the case of a great disaster such as the gentleman is speaking of, I doubt there would be very much opposition to some relief, but I do not remember of any time when we have ever appropriated or authorized an appropriation of money thinking that perhaps one might come in the future. Does the gentleman remember any such case as that?

Mr. WARREN. Of course the gentleman knows that Congress might not be in session, and the gentleman remembers that on three different occasions, if I recall correctly, the States of Vermont, Alabama, and Kentucky came to Congress after great disasters had happened in those States.

Mr. SNELL. But they were specific cases, and we knew all about them. Congress met the issue. This is an entirely different situation from that.

Mr. WARREN. But they had to wait for years or more before they could reconstruct the roads while this provides for immediate reconstruction.

Mr. SNELL. The gentleman cannot find a single case where we have ever gone ahead and appropriated upon the ground that perhaps there would be a disaster some time in the future.

Mr. WARREN. If there is no disaster, not a penny of it will be used.

Mr. SNELL. What is the use of supporting that kind of legislation?

Mr. WARREN. To have it ready in case of an emergency.

Mr. SNELL. I never heard of any such argument as that on the floor of the House in the 18 years that I have been here, and no man never put up such an argument as that.

Mr. WARREN. Well, you will admit it is a good argument.

Mr. WHITE. Mr. Chairman, I rise to oppose the amendment. I call the attention of the gentleman from New York [Mr. SNELL] to a condition that obtains in Idaho on the Continental Divide right this minute. Last year we were struck with terrific floods that tore out 50 miles of the main arterial highway on the northern road east and west, and we could not make the repairs. The whole traffic between the great centers of the Pacific coast and the eastern centers, like Chicago and St. Paul, was tied up because of this emergency, and it is to meet such an emergency as this that this provision is put in the bill. I certainly hope the committee will oppose the amendment and vote it down.

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

Mr. WHITE. Yes.

Mr. SNELL. In a situation such as the gentleman speaks of, he ought to appeal to the P.W.A. That is what they have the money for now. It is to meet those emergencies and put people to work. We will make another appropriation in a few days of a large sum of money for the same purpose. In the history of this Congress I have never heard of a man asking for an appropriation in advance to meet a condition that may arise in the future.

Mr. WHITE. I assure the gentleman that this Congress is not always in session.

Mr. SNELL. It is in session a good deal of the time.

Mr. TAYLOR of Colorado. Do we not appropriate money every year for the purpose of extinguishing fires in timberland throughout the country?

Mr. SNELL. That is partly true, because that occurs every year and everyone knows it; but when you are talking about a national catastrophe as somebody mentioned here—

Mr. TAYLOR of Colorado. But these fires may happen or they may not happen.

Mr. SNELL. But they always do happen. I have never heard that argument used before by anybody.

Mr. WHITE. Mr. Chairman, this emergency I refer to is already in existence, and the Public Works money has been exhausted. I think this is a good provision in the bill, and I ask the committee to support it.

Mr. CARTWRIGHT. Mr. Chairman, I move that all debate upon this section close in 5 minutes.

The motion was agreed to.

Mr. SABATH. Mr. Chairman, I rise to support the amendment because this authorization for \$10,000,000 will establish a precedent to appropriate in anticipation of a need arising in the future. I have failed to observe from the statements of the gentleman from North Carolina any need or actual request for the expenditure of this amount or any portion of it at the present time. It is amazing how picayunish he can be when an appeal is made for a small appropriation to investigate certain vicious activities, where the Government loses millions and the people are mulcted out of hundreds of thousands of dollars. But here he is pleading for an authorization for an appropriation of \$10,000,000 in the expectancy that something might occur whereby this sum may be utilized and this, notwithstanding that the Democratic administration will be charged by the Republicans with expending \$10,000,000, though no one can tell when it might be spent or needed.

Mr. Chairman, this bill authorizes the expenditure of the enormous sum of \$400,000,000 for roads, \$50,000,000 for roads in national parks, and it is proposed under the pending amendment to authorize an additional \$10,000,000 for a contingency. According to the wording of the bill, the fifty millions and the greatest part of this four hundred millions are going to be spent in the western and coast sections of our country. As it is, we in the North have already built most of our roads and find it difficult to obtain enough money to maintain them. Oh, I realize and recognize the fact that the gentlemen from the West and those on the coast are once more looking after their own States; yes, their own districts.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. COLDEN. Is not the gentleman from Illinois a heavy landholder in the State of California?

Mr. SABATH. I was at one time before we were struck with the Republican prosperity in 1929, 1930, 1931, and 1932. I have nothing against the gentlemen in getting everything they can for their sections of the country, and I say to them that they have done splendidly.

Mr. Chairman, though my district and the city of Chicago will not be aided or benefited to any degree, as most of this appropriation will go to the rural sections where unemployment is not as acute as in the large centers, I cannot help but congratulate these Democrats from California, Oregon, and Washington, as well as those from Colorado, Wyoming, Montana, Nebraska, and Iowa, of all they have accomplished in obtaining the passage of legislation that will be so beneficial and advantageous to their sections, yet the major portions of these appropriations will come from moneys collected in Federal taxes from the people of my and other northern and eastern sections who will not participate to any great degree in the benefits resulting from this legislation. As the oldest Member of the House, I have never heretofore seen in my 28 years' service the determination and cooperation on the part of the Members of the House as that exemplified during the present Congress by the western Democratic Members. During my years of service I have served with such men as Frank Mondell, of Wyoming; Julius Kahn, of California; Philip C. Campbell,

of Kansas; Henry Cooper, of Wisconsin, Charles B. Timberlake, of Colorado, Willis B. Hawley, of Oregon; and Burton L. French, of Idaho, all Republicans, who, due to their many years of service, were able to accomplish much for their districts, but in their palmy days and while they were in power they never succeeded in securing so much beneficial legislation for their States that has been the good fortune of the Democrats from those sections and those States during this and the last session of Congress. This merely shows what determination and cooperation will accomplish, as during the two sessions of the Seventy-third Congress there has been more helpful and beneficial legislation enacted for the Western States and a greater percentage of the appropriations going to those States than ever before in the history of our Nation. The people of that section are to be congratulated upon sending to Congress such a large number of active Democrats, men of ability, who have accomplished so much for their States and who have proved of real service to their people.

Mr. Chairman, I fully appreciate that due to the great drought and the wind and dust storms that the Midwestern, Western, and Coast States suffered tremendous damages and in view of this condition, I shall again aid the Members from those sections in every possible way to obtain additional relief. I feel that their situation is much akin to that of the thousands who lost their all in the great fire in Minnesota some years ago, and I want to say to my colleague Mr. HOIDALE, of Minnesota, that I will do whatever I can at this session of Congress to obtain the passage of legislation which will repay to some extent the sufferers of that conflagration.

I do not regret, Mr. Chairman, my action in cooperating with my colleagues from the Middle, far Western, and Coast States, and to say that I will continue to support them in every possible way.

Mr. HOEPEL. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. HOEPEL. If the gentleman from Illinois and other Members of Congress will cooperate with the western delegation and enact legislation here giving us remonetization of silver, we will not need any of your appropriations.

Mr. SABATH. I will state to the gentleman [Mr. HOEPEL] that I have, though I have been unable to attend the meetings of the so-called "silver bloc", advocated, and will continue to work with them for the remonetization of silver. [Applause.]

Before concluding, I cannot refrain from mentioning my conscientious and ever-trying colleague from California [Mr. LEA], with whom I have stood time and again in the furtherance of measures affecting the welfare of his State, which, in the present Congress, was only made possible owing to the splendid cooperation which he had from the new Democratic Members of his Commonwealth. They, like the Members of the State of Washington, under the able leadership of Mr. HILL, chairman of the subcommittee of the powerful Ways and Means, who succeeded in securing exemptions in the revenue act that will save that section, as I am informed, close to 30 to 40 millions of dollars, have done their full part. It is indeed amazing what wonderful results cooperation and determination will achieve. Take my old friend TAYLOR of Colorado, whom no one can deny what he has done for his State, who, due to his influence in the House and the cooperation of his colleagues, and working with such leaders as LEA of California, HILL of Washington, and with the astute Democrats of Nebraska, and hand in hand with that old warhorse from Kansas, Mr. AYRES, with the new Iowa Democratic delegation, who demonstrated wonderful foresight in joining with him, obtained greater consideration and results that they surely can be proud of and can go home with their heads erect in full satisfaction of their accomplishments.

The full measure of credit includes the cooperation extended by the Members of the smaller States of Idaho, Nevada, New Mexico, Arizona, and Montana, whose persistence and joint help with the membership of the other Western and Coast States brought about this wonderful record of accomplishment. They, too, can return to their constituen-

cies, most of whom they are serving for the first term, proud in the fact that they have performed their duties well and have proved of real service in obtaining the passage of so much beneficial legislation. But in view of my cooperation with you gentlemen, aiding you in every way possible on all the many matters in which you were interested, I hope that when my colleagues and I from the large centers need your aid and cooperation that we may trust and expect to receive it. [Applause.]

In conclusion let me appeal to you gentlemen whom I have helped to the best of my ability and, in fact, obtained the aid of many others from the thickly populated urban sections to help you, that you will reciprocate in lending your support to us when the time comes in securing relief and help for the hundreds of thousands of unfortunate unemployed in our large cities.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. SABATH] has expired.

All time has expired on this amendment and this section.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were ayes 31 and noes 93.

So the amendment was rejected.

The Clerk read as follows:

SEC. 4. The limitations in the Federal Highway Act, approved November 9, 1921, as amended and supplemented, upon highway construction, reconstruction, and bridges within municipalities and upon payments per mile which may be made from Federal funds, shall hereafter not apply.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word. The gentleman from Mississippi [Mr. WHITTINGTON] when he addressed the House sometime ago, as I understood him, stated that the provisions in the Recovery Act are permanent law, and that this bill would come under that law. May I inquire if section 206 of the National Industrial Recovery Act will apply to the provisions of the bill we are now considering?

Mr. WHITTINGTON. In answer to the gentleman's inquiry, it is my thought that section 206 is applicable for this reason, among others: This bill provides for the allocation and for the expenditure of the funds as provided by section 204, and section 206 provides for the expenditure not only under section 204 but all other sections of title 2 which provides for all public works.

Mr. DOWELL. In other words, for the administration of it?

Mr. WHITTINGTON. Absolutely.

Mr. DOWELL. And the gentleman interprets section 206 as permanent law, and the bill we are now considering will come under it?

Mr. WHITTINGTON. If we reenact section 205 in this bill, yes.

Mr. DOWELL. And will apply as far as this bill under consideration is concerned?

Mr. WHITTINGTON. I think so.

Mr. DOWELL. I withdraw the pro forma amendment.

Mr. DIMOND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: Page 3, line 13, insert a new section to read as follows:

"Sec. —. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the further sum of not more than \$10,000,000 for allotment under the provisions of sections 202, 203, and 205 (b) of said National Industrial Recovery Act, in addition to any sum heretofore allotted under said sections for the purposes hereinafter mentioned, to be expended for the construction, repair, and improvement of public highways, roads, trails, bridges, and related projects in Alaska, the Canal Zone, Puerto Rico, and the Virgin Islands, and to remain available until expended."

Mr. DIMOND. Mr. Chairman, the bill before us covers like a blanket all parts of the United States and all of its possessions and Territories, except Alaska, Puerto Rico, the Canal Zone, and the Virgin Islands. I do not know why those parts of the United States were omitted. I suppose by inadvertence. It is my duty, as Delegate from Alaska, to call your attention to the fact that citizens of the United

States live in the Territory of Alaska and live in these other places, and they are just as much entitled to relief as anybody else. The difficulty is that if Congress passes this bill, and I presume it will be passed, S. 8781, which takes care of all parts of the country except Alaska, Puerto Rico, Virgin Islands, and the Canal Zone, the one conclusion to which the administration officials may possibly come is that Congress did not intend to make any provision for these regions unless the bill is amended.

We find by reference to section 205 (b) of the National Industrial Recovery Act the following:

The President may also allot funds made available by this act for the construction, repair, and improvement of public highways in Alaska, the Canal Zone, Puerto Rico, and the Virgin Islands.

Therefore, in drawing this proposed amendment I followed the language which is used in section 205 (b), since it was evidently the intent of Congress that in the original act, the National Industrial Recovery Act, the people in Alaska and these other places should be taken care of in a reasonable manner. As a matter of fact, allotments of money have been made under the original act for roads and trails in Alaska in the amount of \$1,185,000, and I was informed the other day that \$1,000,000 had been allotted for Puerto Rico. Undoubtedly it is true, as a matter of law, that if Congress could make a blanket appropriation for the Public Works Administration to use as it sees fit under the National Industrial Recovery Act, the Administrator could, under the broad terms of that act, specifically section 205 (b), make allotment of funds to Alaska, Puerto Rico, and so forth. But the trouble is, when the appropriation bill comes in, I have been told by Members of this body, that every dollar of it may be earmarked.

Unless, therefore, some provision is put in this roads bill under which an allotment may be made for building roads in Alaska, the chances are we may be left out. There is no sound and substantial reason for discrimination against the citizens of the United States who happen to live in Alaska.

It was said to me by the gentleman from Mississippi, one of the members of the committee, that Alaska is taken care of under the national forests provisions of the bill as written, but it is not. Only 32,000 square miles of Alaska, so far as I recall, fall within the area of the national forests. Of course, that part of the Territory which lies within the national forests can be taken care of, but more than nine tenths of that vast Territory, an area which needs roads as badly as any part of the country, cannot be taken care of under any provision of the bill as now written, as I understand the situation.

I would be glad to answer any questions any Member cares to ask about this matter in order to show that my amendment is a fair, a righteous, and a just amendment. I call attention to the fact that instead of wording my amendment to read that a certain amount is appropriated or may be allotted, I worded it to read that not more than so much is to be allotted, thus leaving it under the control of the P.W.A. as it was before to allot \$1,000,000, \$500,000, or \$2,000,000 or \$10,000,000, for roads in these places. We are not trying to bind Congress to say that we shall have a certain amount in any event. We are willing to take our chances with the Public Works Administration, but we ask in the name of fairness, that you give us a fair break in this matter.

Mr. CARTWRIGHT. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I am opposed to the amendment. It has no place, I say with all kindness, in the pending bill.

Provision is made for highway construction in Alaska in the annual appropriation bills. I said, in the opening of my remarks this afternoon, that at present no provision is made for highway construction in the future in the United States, but provision for highway construction in Alaska has continued as heretofore.

Moreover, Mr. Chairman, under the Public Works Act of 1933, paragraph 205, subsection (b), it is provided that the President may allot funds made available by this act for the repair and improvement of public highways in Alaska, the Canal Zone, Puerto Rico, and the Virgin Islands. Alaska, Puerto Rico, and the Virgin Islands have never been provided for in any highway construction bill that has ever been passed by Congress, because they were always provided for otherwise. They have been provided for in the Public Works Act of 1933. I very frankly state to the Delegate from Alaska that the allocations made for that Territory were liberal. I take it the President will refer to the matter in his message. Provision will be made for a continuance of the Public Works program during the fiscal year of 1935, and I assume, further, that any funds that may be allocated to the President for expenditure will be available for all necessary needs in Alaska.

In this connection I call attention to the fact that under the Public Works Act of 1933 there was allocated to Alaska \$1,662,800; that for roads and repairs to buildings in the Virgin Islands there was allotted \$89,500; and \$1,000,000 was allocated for roads to Puerto Rico. There was allocated for air fields and buildings in the Canal Zone \$2,032,653. So we feel that all these areas were amply provided for in the Public Works Act of last year, and I take it they will be provided for in any Public Works bill that may be passed during the current session.

Mr. DIMOND. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. DIMOND. Is it the opinion of the gentleman that this amendment is entirely unnecessary in order to secure this result?

Mr. WHITTINGTON. Absolutely; and it has no place in this bill. It has never been in any similar bill.

Mr. DIMOND. The gentleman thinks that the allocation can be made out of the appropriation made for the P.W.A.?

Mr. WHITTINGTON. If it is in substantially the same terms as at present; yes.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. ANDREWS of New York. I should like to ask the gentleman from Mississippi whether this is an administrative measure and whether or not this sum of money is provided for by the Budget?

Mr. WHITTINGTON. The President has not transmitted his message on public works to Congress as yet.

Mr. DIMOND. Mr. Chairman, in view of the statement just made by the distinguished gentleman from Mississippi, I ask unanimous consent to withdraw my amendment, since it appears to be unnecessary.

The CHAIRMAN. Is there objection to the request of the Delegate from Alaska?

There was no objection.

The Clerk concluded the reading of the bill.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes, pursuant to House Resolution 365, he reported the bill back to the House with sundry amendments adopted by the committee.

The SPEAKER. Under the rule the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am opposed to the bill in its present form.

The Clerk read as follows:

Mr. Wolcott moves to recommit the bill to the Committee on Roads with instructions to report the same back forthwith with the following amendment: On page 2, after the word "traffic" where the same appears as the last word of the amendment offered by the gentleman from Illinois [Mr. Thompson], insert the following: "Provided further, That no part of any money authorized to be appropriated by this act shall be used to purchase or contract for any article other than those of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production or manufacture of the United States cost more, if such excess of cost be not unreasonable."

The SPEAKER. The question is on the motion to recommit.

Mr. WOLCOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 85, nays 207, not voting 138, as follows:

[Roll No. 142]

YEAS—85

Allen	Eltse, Calif.	Lambertson	Snell
Andrew, Mass.	Englebright	Lehr	Taber
Andrews, N.Y.	Evans	Lemke	Tarver
Beedy	Fernandez	Luce	Thomas
Blanchard	Fish	Lundeen	Thurston
Bolton	Foss	McGugin	Tinkham
Britten	Frear	Mapes	Tobey
Buckbee	Gilchrist	Marshall	Traeger
Burnham	Goss	Martin, Mass.	Treadway
Carter, Calif.	Greenway	May	Vinson, Ky.
Carter, Wyo.	Guyer	Merritt	Welch
Chase	Hancock, N.Y.	Mott	Whitley
Christianson	Hess	Nesbit	Wigglesworth
Clarke, N.Y.	Higgins	Parker	Withrow
Cochran, Mo.	Holmes	Perkins	Wolcott
Cochran, Pa.	Hope	Plumley	Wolverton
Collins, Calif.	James	Powers	Wood, Ga.
Connery	Jenkins, Ohio	Reed, N.Y.	Wood, Mo.
Cooper, Ohio	Kahn	Rogers, Mass.	Woodruff
Dingell	Kelly, Ill.	Sabath	
Dondero	Kinzer	Sinclair	
Dowell	Kocialkowski		

NAYS—207

Adair	Dobbins	Kenney	Rankin
Adams	Dockweiler	Kleberg	Rayburn
Arens	Doughton	Kloeb	Relly
Arnold	Drewry	Kniffin	Richards
Ayers, Mont.	Driver	Kramer	Robertson
Ayres, Kans.	Duffey	Lambeth	Robinson
Beam	Duncan, Mo.	Lanham	Romjue
Beiter	Durgan, Ind.	Larrabee	Ruffin
Biermann	Edmiston	Lea, Calif.	Sadowski
Bland	Eicher	Lee, Mo.	Sanders
Blanton	Ellzey, Miss.	Lesinski	Sandlin
Bloom	Parley	Lewis, Colo.	Schulte
Brennan	Flesinger	Lewis, Md.	Scrugham
Brown, Ga.	Fitzgibbons	Lloyd	Sears
Browning	Fitzpatrick	Lozier	Secrest
Brunner	Flannagan	McCarthy	Sisson
Buchanan	Fletcher	McCormack	Smith, Va.
Buck	Ford	McDuffie	Smith, Wash.
Burke	Foulkes	McFarlane	Smith, W.Va.
Burke, Nebr.	Frey	McGrath	Somers, N.Y.
Byrns	Fuller	McKeown	Spence
Caldwell	Fulmer	McReynolds	Steagall
Cannon, Mo.	Gasque	McSwain	Strong, Tex.
Carden, Ky.	Gillespie	Maloney, La.	Stubbs
Carmichael	Gillette	Martin, Colo.	Taylor, S.C.
Carpenter, Kans.	Glover	Martin, Oreg.	Terrell, Tex.
Cartwright	Gregory	Mead	Terry, Ark.
Cary	Griffin	Meeks	Thom
Castellow	Harlan	Miller	Thomason
Chapman	Harter	Mitchell	Thompson, Ill.
Chavez	Hastings	Monaghan, Mont.	Thompson, Tex.
Church	Henney	Montague	Turner
Claiborne	Hildebrandt	Montet	Umstead
Clark, N.C.	Hill, Ala.	Moran	Underwood
Coffin	Hill, Knute	Morehead	Utterback
Colden	Hill, Samuel B.	Moynihan, Ill.	Vinson, Ga.
Cole	Hoepfel	Murdock	Wallgren
Collins, Miss.	Hoidale	Musselwhite	Warren
Colmer	Howard	O'Connell	Warren
Condon	Huddleston	O'Malley	Weaver
Cooper, Tenn.	Hughes	Oliver, Ala.	Werner
Cox	Imhoff	Owen	West, Tex.
Cravens	Jacobsen	Palmisano	White
Cross, Tex.	Jeffers	Parks	Whittington
Crosser, Ohio	Jenckes, Ind.	Parsons	Wilcox
Darden	Johnson, Minn.	Fatman	Willford
Dear	Johnson, Okla.	Pettengill	Williams
Deen	Johnson, Tex.	Peysner	Wilson
DeRouen	Johnson, W.Va.	Pierce	Woodrum
Dickinson	Jones	Ramsay	Young
Dies	Kee	Ramspeck	Zioncheck
Disney	Keller	Randolph	

NOT VOTING—138

Abernethy	Cullen	Kelly, Pa.	Rich
Allgood	Cummings	Kennedy, Md.	Richardson
Auf der Heide	Darrow	Kennedy, N.Y.	Rogers, N.H.
Bacharach	Delaney	Kerr	Rogers, Okla.
Bacon	De Priest	Knutson	Rudd
Bailey	Dickstein	Kopplemann	Schaefer
Bakewell	Dirksen	Kurtz	Schuetz
Bankhead	Ditter	Kvale	Shallenberger
Beck	Douglass	Lamneck	Shannon
Berlin	Doutrich	Lanzetta	Shoemaker
Black	Doxey	Lehlbach	Simpson
Boehne	Dunn	Lindsay	Sirovich
Boileau	Eagle	Ludlow	Snyder
Boland	Eaton	McClintic	Stalker
Boylan	Edmonds	McFadden	Stokes
Brooks	Ellenbogen	McLean	Strong, Pa.
Brown, Ky.	Faddis	McLeod	Studley
Brown, Mich.	Focht	McMillan	Sullivan
Brumm	Gambrill	Maloney, Conn.	Summers, Tex.
Bulwinkle	Gavagan	Mansfield	Sutphin
Burke, Calif.	Gifford	Marland	Swank
Busby	Goldsborough	Millard	Sweeney
Cady	Goodwin	Milligan	Swick
Cannon, Wis.	Granfield	Muldowney	Taylor, Colo.
Carley, N.Y.	Gray	Norton	Taylor, Tenn.
Carpenter, Nebr.	Green	O'Brien	Truax
Cavicchia	Greenwood	O'Connor	Turpin
Celler	Griswold	Oliver, N.Y.	Wadsworth
Connolly	Haines	Peavey	Waldron
Corning	Hamilton	Peterson	Walter
Crosby	Hancock, N.C.	Polk	Weideman
Crowe	Hart	Prall	West, Ohio
Crowther	Hartley	Ransley	Wolfenden
Crump	Healey	Reece	
Culkin	Hollister	Reid, Ill.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Ransley (for) with Mr. Boylan (against).
 Mr. O'Brien (for) with Mr. O'Connor (against).
 Mr. Gifford (for) with Mr. Bankhead (against).
 Mr. Darrow (for) with Mr. West of Ohio (against).
 Mr. Bakewell (for) with Mr. Brown of Michigan (against).
 Mr. Connolly (for) with Mr. Cady (against).
 Mr. Goodwin (for) with Mr. Gray (against).
 Mr. Ditter (for) with Mr. Goldsborough (against).
 Mr. Muldowney (for) with Mr. Kopplemann (against).
 Mr. Brumm (for) with Mr. Corning (against).
 Mr. Wadsworth (for) with Mr. Crump (against).
 Mr. Wolfenden (for) with Mr. Kennedy of Maryland (against).
 Mr. Doutrich (for) with Mr. Sullivan (against).
 Mr. Kurtz (for) with Mr. Hamilton (against).
 Mr. Culkin (for) with Mr. Cullen (against).
 Mr. Turpin (for) with Mr. Richardson (against).
 Mr. Hollister (for) with Mr. Peterson (against).
 Mr. Bacharach (for) with Mr. Lanzetta (against).

General pairs:

Mr. Haines with Mr. Rich.
 Mr. Douglass with Mr. Beck.
 Mr. Kerr with Mr. Eaton.
 Mrs. Norton with Mr. Lehlbach.
 Mr. Lindsay with Mr. Stalker.
 Mr. Brown of Kentucky with Mr. Snyder.
 Mr. Auf der Heide with Mr. Millard.
 Mr. Rudd with Mr. Knutson.
 Mr. McClintic with Mr. McFadden.
 Mr. Ludlow with Mr. Bacon.
 Mr. Bulwinkle with Mr. Edmonds.
 Mr. McMillan with Mr. Cavicchia.
 Mr. Celler with Mr. Dunn.
 Mr. Gambrill with Mr. Swick.
 Mr. Greenwood with Mr. Kelly of Pennsylvania.
 Mr. Delaney with Mr. Dirksen.
 Mr. Busby with Mr. Boileau.
 Mr. Boehne with Mr. Crowther.
 Mr. Doxey with Mr. Hartley.
 Mr. Granfield with Mr. Focht.
 Mr. Griswold with Mr. Peavey.
 Mr. Prall with Mr. Reece.
 Mr. Oliver of New York with Mr. McLean.
 Mr. Milligan with Mr. Simpson.
 Mr. Mansfield with Mr. Waldron.
 Mr. Rogers of New Hampshire with Mr. Reid of Illinois.
 Mr. Swank with Mr. McLeod.
 Mr. Taylor of Colorado with Mr. Stokes.
 Mr. Gavagan with Mr. De Priest.
 Mr. Black with Mr. Taylor of Tennessee.
 Mr. Allgood with Mr. Strong of Pennsylvania.
 Mr. Dickstein with Mr. Kvale.
 Mr. Abernethy with Mr. Shoemaker.
 Mr. Eagle with Mr. Brooks.
 Mr. Lamneck with Mr. Ellenbogen.
 Mr. Bailey with Mr. Burke of California.
 Mr. Boland with Mr. Marland.
 Mr. Shallenberger with Mr. Crosby.
 Mr. Cummings with Mr. Cannon of Wisconsin.
 Mr. Healey with Mr. Walter.
 Mr. Polk with Mr. Berlin.
 Mr. Kennedy of New York with Mr. Schaefer.
 Mr. Rogers of Oklahoma with Mr. Faddis.
 Mr. Crowe with Mr. Carpenter of Nebraska.

Mr. Hart with Mr. Weideman.
Mr. Green with Mr. Truax.
Mr. Summers of Texas with Mr. Sirovich.
Mr. Schuetz with Mr. Sweeney.

Mr. COCHRAN of Missouri and Mr. COLLINS of California changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. CARTWRIGHT. Mr. Speaker, I demand the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The question was taken; and there were—yeas 255, nays 26, not voting 149, as follows:

[Roll No. 143]
YEAS—255

Adams	Doughton	Kleberg	Rayburn
Allen	Dowell	Kloeb	Reilly
Arens	Drewry	Kniffin	Richards
Arnold	Driver	Kramer	Robertson
Ayers, Mont.	Duffey	Lambertson	Robinson
Ayres, Kans.	Duncan, Mo.	Lambeth	Romjue
Beedy	Edmiston	Lamneck	Ruffin
Beiter	Elcher	Lanham	Sadowski
Black	Elzey, Miss.	Larrabee	Sanders
Blanchard	Englebright	Lea, Calif.	Sandlin
Bland	Evans	Lee, Mo.	Schulte
Blanton	Farley	Lehr	Scrugham
Bloom	Flesinger	Lenke	Sears
Brennan	Fish	Lesinski	Secrest
Brown, Ga.	Fitzgibbons	Lewis, Colo.	Shallenberger
Browning	Fitzpatrick	Lewis, Md.	Sinclair
Brunner	Fletcher	Lloyd	Slisson
Buck	Ford	Lozier	Smith, Va.
Buckbee	Foulkes	Lundeen	Smith, Wash.
Burch	Frear	McCarthy	Smith, W. Va.
Burke, Nebr.	Frey	McCormack	Spence
Burnham	Fuller	McFarlane	Steagall
Byrns	Fulmer	McGrath	Strong, Tex.
Caldwell	Gasque	McGugin	Stubbs
Cannon, Mo.	Gilchrist	McKeown	Tarver
Carden, Ky.	Gillespie	McReynolds	Taylor, S. C.
Carmichael	Gillette	Maloney, La.	Terrell, Tex.
Carpenter, Kans.	Glover	Mansfield	Terry, Ark.
Carter, Calif.	Goss	Marshall	Thom
Carter, Wyo.	Greenway	Martin, Colo.	Thomason
Cartwright	Gregory	Martin, Oreg.	Thompson, Ill.
Cary	Guyer	Martinez	Thompson, Tex.
Castellow	Hart	May	Thurston
Chapman	Harter	Mead	Tobey
Chase	Hastings	Meeks	Traeger
Christianson	Henney	Miller	Turner
Church	Hess	Mitchell	Umstead
Claborn	Higgins	Montague	Underwood
Cochran, Mo.	Hildebrandt	Montet	Utterback
Coffin	Hill, Ala.	Moran	Vinson, Ga.
Colden	Hill, Knute	Morehead	Vinson, Ky.
Cole	Hill, Samuel B.	Mott	Wallgren
Collins, Calif.	Hoepfel	Moynihan, Ill.	Warren
Collins, Miss.	Hoidale	Murdock	Wearin
Colmer	Holmes	Musselwhite	Weaver
Condon	Hope	Nesbit	Welch
Conner	Howard	O'Connell	Werner
Cooper, Ohio	Huddleston	O'Malley	West, Tex.
Cooper, Tenn.	Hughes	Oliver, Ala.	White
Cravens	Imhoff	Owen	Whitley
Cross, Tex.	Jacobsen	Parker	Whittington
Crosser, Ohio	James	Parks	Wilcox
Cummings	Jeffers	Parsons	Willford
Darden	Jenckes, Ind.	Patman	Williams
Dear	Jenkins, Ohio	Perkins	Wilson
Deen	Johnson, Minn.	Pettengill	Withrow
DeRouen	Johnson, Tex.	Peyster	Wolcott
Dickinson	Johnson, W. Va.	Pierce	Wolverton
Dies	Jones	Plumley	Wood, Ga.
Dingell	Kahn	Powers	Wood, Mo.
Disney	Kee	Ramsay	Woodruff
Dobbins	Keller	Ramspeck	Young
Dockweiler	Kenney	Randolph	Zioncheck
Dondero	Kinzer	Rankin	

NAYS—26

Andrew, Mass.	Eitse, Calif.	Mapes	Snell
Andrews, N. Y.	Foss	Martin, Mass.	Taber
Beam	Hancock, N. Y.	Merritt	Tinkham
Bolton	Harlan	Reed, N. Y.	Treadway
Buchanan	Kelly, Ill.	Rogers, Mass.	Wigglesworth
Clarke, N. Y.	Kocialkowski	Sabath	
Cochran, Pa.	Luce	Seeger	

NOT VOTING—149

Abernethy	Beck	Brown, Ky.	Carpenter, Nebr.
Adair	Berlin	Brown, Mich.	Cavicchia
Allgood	Biermann	Brumm	Celler
Auf der Heide	Boehne	Bulwinkle	Chavez
Bacharach	Bolleau	Burke, Calif.	Clark, N. C.
Bacon	Boland	Busby	Connolly
Bailey	Boylan	Cady	Corning
Bakewell	Britten	Cannon, Wis.	Cox
Bankhead	Brooks	Carley, N. Y.	Crosby

Crowe	Granfield	McMillan	Simpson
Crowther	Gray	McSwain	Sirovich
Crump	Green	Maloney, Conn.	Snyder
Culkin	Greenwood	Marland	Somers, N. Y.
Cullen	Griffin	Millard	Stalker
Darrow	Griswold	Milligan	Stokes
Delaney	Haines	Monaghan, Mont.	Strong, Pa.
De Priest	Hamilton	Muldowney	Studley
Dickstein	Hancock, N. C.	Norton	Sullivan
Dirksen	Hartley	O'Brien	Summers, Tex.
Ditter	Healey	O'Connor	Sutphin
Douglass	Hollister	Oliver, N. Y.	Swank
Doutrich	Johnson, Okla.	Palmisano	Sweeney
Doxey	Kelly, Pa.	Peavey	Swick
Dunn	Kennedy, Md.	Peterson	Taylor, Colo.
Durgan, Ind.	Kennedy, N. Y.	Polk	Taylor, Tenn.
Eagle	Kerr	Prall	Thomas
Eaton	Knutson	Ransley	Truax
Edmonds	Kopplemann	Reece	Turpin
Ellenbogen	Kurtz	Reid, Ill.	Wadsworth
Faddis	Kvale	Rich	Waldron
Fernandez	Lanzetta	Richardson	Walter
Flannagan	Lehlbach	Rogers, N. H.	Weideman
Focht	Lindsay	Rogers, Okla.	West, Ohio
Gambrill	Ludlow	Rudd	Wolfenden
Gavagan	McClintic	Schaefer	Woodrum
Gifford	McFadden	Schuetz	
Goldsborough	McLean	Shannon	
Goodwin	McLeod	Shoemaker	

So the bill was passed.

The Clerk announced the following additional pairs:
On this vote:

Mr. O'Connor (for) with Mr. O'Brien (against).
General pairs:

Mr. Boylan with Mr. Ransley.
Mr. Bankhead with Mr. Gifford.
Mr. West of Ohio with Mr. Darrow.
Mr. Brown of Michigan with Mr. Bakewell.
Mr. Cady with Mr. Connolly.
Mr. Gray with Mr. Goodwin.
Mr. Goldsborough with Mr. Ditter.
Mr. Kopplemann with Mr. Muldowney.
Mr. Corning with Mr. Brumm.
Mr. Crump with Mr. Wadsworth.
Mr. Kennedy of Maryland with Mr. Wolfenden.
Mr. Sullivan with Mr. Doutrich.
Mr. Hamilton with Mr. Kurtz.
Mr. Cullen with Mr. Culkin.
Mr. Richardson with Mr. Turpin.
Mr. Peterson with Mr. Hollister.
Mr. Lanzetta with Mr. Bacharach.
Mr. Haines with Mr. Rich.
Mr. Douglass with Mr. Beck.
Mr. Kerr with Mr. Eaton.
Mrs. Norton with Mr. Lehlbach.
Mr. Lindsay with Mr. Stalker.
Mr. Auf der Heide with Mr. Millard.
Mr. Rudd with Mr. Knutson.
Mr. Greenwood with Mr. Kelly of Pennsylvania.
Mr. McClintic with Mr. McFadden.
Mr. Ludlow with Mr. Bacon.
Mr. Bulwinkle with Mr. Edmunds.
Mr. McMillan with Mr. Cavicchia.
Mr. Celler with Mr. Dunn.
Mr. Gambrill with Mr. Swick.
Mr. Delaney with Mr. Dirksen.
Mr. Busby with Mr. Bolleau.
Mr. Boehne with Mr. Crowther.
Mr. Doxey with Mr. Hartley.
Mr. Granfield with Mr. Focht.
Mr. Griswold with Mr. Peavey.
Mr. Prall with Mr. Reece.
Mr. Oliver of New York with Mr. McLean.
Mr. Mulligan with Mr. Simpson.
Mr. Flannagan with Mr. Waldron.
Mr. Rogers of New Hampshire with Mr. Reid of Illinois.
Mr. Swank with Mr. McLeod.
Mr. Taylor of Colorado with Mr. Stokes.
Mr. Gavagan with Mr. De Priest.
Mr. Griffin with Mr. Taylor of Tennessee.
Mr. Allgood with Mr. Strong of Pennsylvania.
Mr. Dickstein with Mr. Kvale.
Mr. Abernethy with Mr. Shoemaker.
Mr. Woodrum with Mr. Britten.
Mr. McSwain with Mr. Thomas.
Mr. Eagle with Mr. Brooks.
Mr. Lamneck with Mr. Ellenbogen.
Mr. Balley with Mr. Burke of California.
Mr. Cummings with Mr. Cannon of Wisconsin.
Mr. Healey with Mr. Walter.
Mr. Polk with Mr. Berlin.
Mr. Kennedy of New York with Mr. Schaefer.
Mr. Rogers of Oklahoma with Mr. Faddis.
Mr. Crowe with Mr. Carpenter of Nebraska.
Mr. Green with Mr. Truax.
Mr. Brown of Kentucky with Mr. Snyder.
Mr. Summers of Texas with Mr. Sirovich.
Mr. Schuetz with Mr. Sweeney.
Mr. Chavez with Mr. Crosby.
Mr. Cox with Mr. Adair.
Mr. Biermann with Mr. Carley of New York.
Mr. Fernandez with Mr. Weideman.
Mr. Clark of North Carolina with Mr. Johnson of Oklahoma.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to make an announcement.

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

There was no objection.

Mr. BYRNS. Mr. Speaker, my colleagues, the gentleman from Tennessee, Mr. CRUMP, the gentleman from Ohio, Mr. WEST, and the gentleman from Massachusetts, Mr. GRANFIELD, are unavoidably absent on account of important business. If present they would have voted "aye" on the passage of the bill.

The result of the vote was announced as above recorded.

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

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

Mr. MONTAGUE. Will the gentleman withhold that a moment?

Mr. COLLINS of Mississippi. I withhold it, Mr. Speaker.

CONFERENCE REPORTS

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight tonight to file conference reports on the following bills:

The municipal bankruptcy bill, H.R. 5950, and the crime bills, S. 2252, S. 2575, S. 2841, S. 2249, S. 2080, S. 2253, and S. 2345.

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

There was no objection.

MESSAGE FROM THE PRESIDENT—THE PHILIPPINE ISLANDS (H.DOC. NO. 367)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Military Affairs, and ordered printed.

To the Congress of the United States:

I transmit herewith for your information a copy of a radiogram from the Governor General of the Philippine Islands dated May 9, 1934, quoting the text of a bill passed at the special session of the Ninth Philippine Legislature, entitled: "An act to provide for the election and holding of the Constitutional Convention authorized by the act of the Congress of the United States of March 24, 1934, appropriate funds therefor, and for other purposes."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 10, 1934.

LEAVE OF ABSENCE

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

To Mr. KENNEDY of Maryland, 3 days, on account of illness.

To Mr. SADOWSKI, until May 18, on account of important business.

EXTENSION OF REMARKS—H.R. 8781

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks in the Record on the bill just passed.

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

There was no objection.

Mr. RANDOLPH. Mr. Speaker and Members of the House, more than 3,000 years ago the great prophet Isaiah spoke the following words:

A highway shall be there for the redemption of His people.

That sentiment was true then. It is doubly true today; and as we consider this splendid piece of legislation which will make available \$400,000,000 for a comprehensive highway building program for the Nation, it is well to discuss the measure from a broad viewpoint and not from the

standpoint of narrow sectionalism. In my State of West Virginia we shall receive a smaller amount than many other States, but upon passage of this bill there will be spent in West Virginia millions of dollars for roads which shall not only serve the larger cities of the State but smaller rural sections will benefit.

There was a time in West Virginia when we were more or less of a sectional people, one part of the State feeling its problems were foreign to the other regions. A man was said to come from the northern or eastern panhandles or live south of the Kanawha River. But today, because of the splendid road system which has brought West Virginia out of the mud, opened up new markets, and brought our various sections closer together, we are a united people, and a citizen who lives in our Commonwealth is simply a West Virginian. White ribboned with excellent roads, our people have become neighbors even though miles upon miles separate their own firesides.

In a discussion of this measure on the floor of the House of Representatives, I have regretted to hear opponents of the provisions remark that the great industrial States should have the most roads, and that sections not populated so densely should have little. This to my mind is not the right type of logic to use at this time, because all sections of America will benefit directly or indirectly from the use of this money for a wide-spread road-building program.

America gets its money's worth when funds of the Federal Government are used for highway construction. In a time when our Nation should receive back something substantial for its expenditures we will have under this bill roads which will be permanent to a marked degree and which will serve for years and years to come. In the national forests of West Virginia thousands of dollars will be also provided under provisions of this legislation which will make more accessible to tourists from other States a vast wonderland which today is just coming into its own.

I was glad to support the amendment to the bill which makes it mandatory that 25 percent of the money be used on country-feeder roads. It is well to have great trunk lines, but we must remember to look after the welfare of the farming sections that they can have a year-round outlet to the markets for their products. Under this amendment this is taken care of as it rightly should be, for we must bring to the man at the forks of the roads his share of these needed improvements which make for a happier people.

This legislation aids in taking care of the unemployed of our Nation. It is estimated that 85 percent of each road dollar expended goes into labor of some sort. It aims to cure a condition, and does it well because the results will not be temporary, but will remain to redeem and further the best interests of a progressive people.

Mr. SMITH of Washington. Mr. Speaker, I have actively supported this bill and gladly joined with other Members from the Western States in supporting the amendment which provides that 25 percent of the \$400,000,000 shall be allotted to feeder or rural roads—from home-to-market roads and school-bus roads, which will insure that the country districts will be benefited as well as the cities and towns. The \$50,000,000 for roads in national parks, forests, and Indian reservations will provide funds for these worthy projects in my district.

Mr. Speaker, I have joined with our western Members in sponsoring the allotment of \$10,000,000 for Federal-aid highways and bridges damaged by floods and other unnatural causes. Ever since the disastrous floods in the State of Washington last December I have sought aid and flood-control relief for southwest Washington. For 30 years the Federal Government has refused to assume any responsibility for the recurrent floods in our State, but we succeeded in obtaining substantial sums from the Civil Works Administration for restoration and repairs in the flooded area of southwest Washington and which has provided employment for thousands of citizens. My bills for preliminary examina-

tions for flood control of the Columbia, Cowlitz, Lewis, and Chehalis Rivers and their tributaries will result in a thorough investigation and survey of conditions by the United States Army engineers and bring permanent relief and protective measures against future floods.

Mr. GLOVER. Mr. Speaker, ladies and gentlemen of the House, we have before us for consideration today H.R. 8781, a bill introduced by the gentleman from Oklahoma [Mr. CARTWRIGHT], Chairman of the Committee on Roads.

There is no bill that has been before this Congress in which the people as a whole, of the United States, are more interested than they are in the subject of Federal aid to the States in building good roads. This bill carries an authorization of \$460,000,000 for all of the States, and when distribution to each State is made it will give them wonderful relief in building public highways.

There is nothing that has added so much to the development of the United States as the building of public highways. Federal responsibility in cooperating with the States in building the roads is no new issue. The first Federal aid road was built while Thomas Jefferson was President, in 1806. Many of the leading highways in the United States have been completed and they are wonderful revenue producers in producing money now to extend Federal aid assistance. Many of the States have built their concrete roads with State and Federal aid and are depending upon revenue from the sales of gasoline to redeem the obligation they have made for the purpose of building these highways. Practically every State in the Union now has a tax on gasoline and a tax on cars which produces a very large revenue. As soon as the bonded indebtedness of the various States is paid off with this tax, then a road maintenance fund can be retained and a part of this tax if continued, can be used for other purposes, such as that of running the general State governments, supporting schools, and so forth.

The authorization for Federal aid has been rightfully increased every year for the last few years. For instance, in 1916 there was only \$5,000,000 appropriated for the Federal aid of the States. Three years ago an appropriation of \$80,000,000 was made in addition to the regular Federal aid of \$125,000,000 to aid in the employment of more men on the highway work. Last year we had an appropriation of \$400,000,000.

It is my opinion, and I think it is well founded, that the Federal Government should abandon the collection of taxes against gasoline and oil and let the States utilize that as a means of getting money to pay off the indebtedness they have incurred on the States, and which will soon be done if all of the money recovered from a tax of this kind is given to the States.

The bill now being considered is not only for the purpose of building highways, but is also for the purpose of giving employment to the unemployed. The United States has spent much money in the last 2 or 3 years to relieve the unemployed, and rightfully so, but it is certainly the duty of Congress in this bill to earmark as much of this money as is possible to projects which will give the greatest amount of employment to the unemployed and to be invested in public improvement where we will get a dollar's worth of improvement for each dollar expended for labor.

Money put into the building of public highways or in public buildings where it will save the Government the immense amounts it is paying out for rent is money wisely spent.

It was the intent of Congress when they passed the bill last year for public-road works that 25 percent of it should be expended in the construction of farm-to-market and lateral post roads, but under the construction placed upon it by the highway departments in the various States very little of it was used for that purpose. In this bill we are providing and earmarking 25 percent of it to go for that purpose. An amendment was adopted to the bill on the floor of the House which reads as follows:

Provided, That not less than 25 percent of the allotment of this appropriation shall be applied to secondary or feeder roads, including farm-to-market roads, and rural free-delivery-mail roads, and public-school-bus routes.

This will insure that if this bill passes the Senate, and we have every reason to believe it will, that 25 percent of this money allotted back to the States will be allotted to the various counties in the States and worked out by the county judges under the set-up they now have for working roads.

The Constitution of the United States provides for the building of post roads. That is the character of roads that this bill and amendment seeks to build. This is the first provision of law that specifically indicates 25 percent of the money allotted to the States be used for this purpose.

I introduced a bill in Congress 2 years ago asking Federal aid for the building of these lateral post roads which is authorized by the Constitution of the United States.

I am glad, in this amendment to this bill today, to realize that we have put that principle into actual law, and an enlargement of the building of post roads and lateral roads from the farm to the market each year will be the greatest aid that could possibly come from the expenditure of public funds, and we hope to see this increased from now on from year to year until we are expending large sums for the completion of this emergency work.

I am indeed glad to have the honor of presiding as Chairman of the Committee of the Whole House on the state of the Union during the consideration of this bill. This bill is not an appropriation but an authorization for appropriation, and whatever sum that we get depends upon what is appropriated by the Committee on Appropriations. We are glad the policy of that committee is to follow the will of the Congress in appropriating and using public funds where it is made known by Congress that it should be used.

I hope in the public works bill that is to follow this week that in every instance that public funds will be so earmarked and designated that it cannot be said that any part of the funds appropriated and used by the Government was not justly used.

WILD-LIFE CONSERVATION AND ITS RELATION TO THE FARM PROGRAM

Mr. JONES. Mr. Speaker, I ask unanimous consent to print in the RECORD an address delivered over the radio by Hon. A. WILLIS ROBERTSON, of the Seventh District of Virginia, on wild-life conservation and its relation to the farm program.

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

There was no objection.

Mr. JONES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address today by Hon. A. WILLIS ROBERTSON, of the Seventh District of Virginia, on Wild-Life Conservation and Its Relation to the Farm Program:

Representing, as I do, an agricultural district that includes the rich and fertile Shenandoah Valley of Virginia, I have naturally taken a keen interest in the plans of the present administration to improve the condition of our farmers. It was a happy day for the farmers when our President placed Hon. Henry A. Wallace in charge of their pressing problems. I admire his ability, his knowledge of farm conditions, his sincerity of purpose, and his intellectual honesty. He has not been able to turn water into wine because the day of miracles has passed. His refusal to endorse radical and unsound monetary policies is to be commended. The time when normal conditions are restored to agriculture is less important than the fact that such conditions when established shall be on a sound and permanent basis.

The decline of the farmer in the economic scale commenced in 1923. Throughout the succeeding years his tax burden increased, his mortgaged indebtedness increased, and at the same time the parity of farm commodities was decreasing. In other words, the farmer was the unhappy victim in a game where both ends were being played against the middle, and by the fall of 1932 the plight of millions of farmers was most distressing.

The Federal Government is now engaged in a terrific struggle to change these conditions. Already it has expended approximately \$1,000,000,000 in the effort, and the floodgates of the Treasury are still open for further expenditures for farm relief. The national farm income in 1933 was increased approximately \$1,000,000,000, and it is hoped that 1934 will show an additional increase of a similar amount. Parity prices of farm commodities in the spring of 1933 rapidly increased but later to be largely offset by other commodity prices as a result of the operations of the N.R.A. On April 15, 1934, the net gain of the farmer in parity prices was about 2 percent—small, it is true; but encourag-

ing by reason of the fact that it was a gain and not a further loss. We still have to deal with unconsumable surpluses. A gradual business recovery is enlarging the domestic market. If the Senate will unite with the House in conferring upon the President the power to negotiate reciprocal trade agreements, new export markets could be won for American farm products. A better regulation of the distribution of milk will help the dairy farmers, the biggest farm industry in the United States and one of the hardest hit. Recent Chicago quotations on heavy steers seemed to indicate that the surplus of heavy steers has been disposed of. The drought in the spring wheat area, while a major disaster to the wheat growers of that area, will, greatly curtail the 1934 production and solve the problem of the wheat surplus.

The present operations of the A.A.A. contemplate primarily temporary adjustments. The important thing, as I have indicated, is an adjustment on a permanent basis that will give to the farmer a fair return for his labor, with a maximum of personal freedom and liberty. Strict regimentation of the farmer is not an American principle, and, in my opinion, we should not seek permanent recovery on such a basis.

With such a thought in mind and desiring to contribute to the welfare of the farmer in a sound and purely American way, I introduced in the House at the special session a resolution to create a House committee to study the various phases of wild-life conservation. On January 29, 1934, the House adopted this resolution, and the Speaker appointed a committee of 15 active and well-posted conservationists. Since that time this committee has been holding regular hearings, taking up one at a time the various departments engaged in conservation work. These include the Department of Agriculture, that is administering through its Forest Service 163,000,000 acres of Federal lands, and through its Bureau of Biological Survey the migratory-bird situation; the Department of Commerce which, through its Bureau of Fisheries, has jurisdiction of commercial and game fish and the sealeries industry; the Department of the Interior, in which we find the National Park Service, the Reclamation Service, erosion and flood control; and certain other departments which touch conservation in a minor way.

Our committee has already discovered that millions of Federal funds, both from regular appropriations and from emergency appropriations, are being expended in conservation work of one kind or another. We find no proper coordination of these activities; we find no definite purpose on the part of some Federal agencies to make these activities contribute to the fullest extent to farm relief.

One Federal agency has in mind a plan to buy farm land and locate city people on it. This will not help the farmer, and it is doubtful if it will help the city man so transplanted. Another agency contemplates a plan to shift farmers from one type of land to another. The practical value of such a scheme is very questionable. What will be more pleasing to the average farmer and more helpful in a permanent way will be a plan to enable him to make a more adequate living right where he is now located.

No relief that could be provided by the Government will offset the effects of the present drought to the spring-wheat farmers. Recent studies have shown that the subterranean water table in North Dakota has fallen 59 feet; in Nebraska between 34 and 37 feet. Erosion experts working in Iowa claim that in one section of that State 106 tons of soil per acre have been washed off farm land per year. No one knows all the causes of drought, but we do know some of the contributing factors. It has been stated that during the past 15 or 20 years 75,000,000 acres of land in the United States have been drained.

We definitely know that 17,000,000 acres of marshes and water areas in those sections where migratory waterfowl summer and raise their young have been drained, and possibly as many additional acres have dried up during the past 4 years of drought. We know that each year millions of acres of timberland have been burned over, destroying the forest bed of humus that previously acted as a sponge to hold rainfall. Our conservation program seeks to help the farmer to get better rainfall through the restoration of these natural reservoirs.

Our conservation program likewise seeks to assist the farmer in producing for him a wild-life income from submarginal areas which no longer can be profitably farmed. Iowa, for instance, has found that by game management on such areas, the game population was increased 300 percent, and that land that was producing 25 cents per acre for agricultural purposes was made to produce \$2.50 per acre for game purposes. I wish I had the time to explain to you more in detail the game management program in Iowa that can be duplicated in every State.

Our conservation program likewise contemplates the purchase of millions of acres of submarginal land to be devoted to the production of fish and game and from which the present occupants will not be moved but given employment in connection with the game management. We figure that those residing in these game-managed areas would be given a 20-acre garden plot on which to raise their own food, but nothing for the market, and that they could be given employment for 150 days a year at a rate of not less than 30 cents per hour.

These submarginal lands would include marsh areas for migratory birds and mountain and other upland areas for other types of game birds and animals. It is my understanding that a considerable fund has been or shortly will be made available to the Biological Survey for its part in that program out of a \$25,000,000 fund under the control of the Federal Emergency Corporation. Our committee hopes that the entire \$25,000,000 fund will be used for that purpose.

Our committee believes that an abundant supply of wild life will mean millions of dollars spent in rural sections by those who get out of doors. We believe that an increase in insectivorous birds will be of material benefit to the farmer. In the United States we have 1,420 species or subspecies of birds, but some of these species are almost extinct, and the ranks of many have been badly depleted. Of the species of migratory birds, for instance, our present supply is estimated to be only 25 percent of what it was 25 years ago.

One of the problems of the farmer is to make farm life more attractive to the boys and girls. A greater abundance of fish and game will help to do this.

The conservation of the 163 million acres of national forests, the proper utilization of the 173 million acres of the public domain, the development of national parks and monuments that will be stimulating to outside travel, the prevention of soil erosion, the utilization for fish and game crops of marsh and submarginal areas, the preservation of our birds and large and small mammals for both aesthetic and recreational opportunities, constitute a national conservation program that must of necessity be intermittently connected with any proper farm program.

HOUSE RESOLUTION 375

Mr. DOCKWEILER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. DOCKWEILER. Mr. Speaker, House Resolution 375 is as follows:

Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee to be composed of seven Members of the House of Representatives, preferably members of the Committee on Military Affairs, for the purpose of conducting an investigation of (1) the type, character, and extent of military defenses and their condition of obsolescence, if any, within the Pacific Coast States, to wit: California, Oregon, Washington, and the Territory of Alaska; (2) the type, character, extent, and condition of obsolescence, if any, of munitions, supplies, and their storage facilities in conjunction with all such Pacific coast defenses, the methods and means of communications between said defenses with the view of studying the availability of such munitions, supplies, war supplies, ordnance, and other necessary articles and things of war in case of defense emergency and essential to our proper national defense so far as our Pacific coast is concerned, and the extent, type, character, and obsolescence of mobile defenses, and means of rendering mobile such defenses; (3) the extent, numbers, and efficiency of the personnel, both officers and enlisted men, of the Regular Army or other military establishments, who have charge of and custody of and are assigned to such military defenses, supply stations, and munition stores; (4) the extent, numbers, and the condition of training and efficiency of the Regular Army personnel, both officers and enlisted men, and of the National Guard establishments of said Pacific Coast States, and the Territory of Alaska and of the Reserve Officers' Training Corps and such other supplementary military forces and their efficiency as exist in said Pacific Coast States and Territory and the extent to which such military forces and training facilities may be coordinated in case of emergency in war of defense; (5) and to inquire into such other matters pertaining to the problem of national defense as it now exists in said Pacific Coast States and the Territory of Alaska; and be it further

Resolved, That said special committee, or such subcommittee thereof, shall make as thorough, exhaustive, and complete investigation as practicable in reference to the matters and things hereinbefore set forth, and as soon as practicable to report to the House of Representatives its findings in the premises and to submit with such report its recommendations for the necessary remedial legislation and such other recommendation as it may find fit and proper in the premises.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions or recesses of the present Congress, to employ such experts, clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths and affirmations, to take testimony, to have such printing and binding done, and to make such expenditures as it deems advisable.

Subpenas shall be issued under the signature of the chairman of the committee and shall be served by any person designated by him. The provisions of sections 102, 103, and 104 of the Revised Statutes shall be applicable to any person summoned as a witness under the authority of this resolution in the same manner as such provisions are applicable to any person summoned as a witness in the case of an inquiry before a committee of either House.

Mr. Speaker, on May 4 I introduced a resolution (H.Res. 375) to provide for the appointment of a special committee to investigate the military defenses and the condition thereof on the Pacific coast.

Needless to say, the purpose desired to be accomplished, if this resolution should be passed and such special committee appointed, is of great importance to the welfare of this

country. Our honest attempt for the last 12 years to accomplish disarmament by example has been utterly fruitless and futile, and we are witnessing the spectacle of world powers during this period progressively entrenching and strengthening themselves in the arts of war and armament. Events in the last year have prompted me to respectfully request the House to pass my resolution in order that adequate information and report could be supplied to the next session of Congress on the subject of national defense, particularly along the Pacific Coast States and Alaska. My views on this subject are shared by civic organizations all up and down the Pacific coast, and I believe I am articulating a growing feeling on the part of the citizens of this country residing on the Pacific slopes that their defenses are not at present adequate. In passing, permit me to state that by order of the President all of our fleet are now located in the Atlantic waters. Even though I do not agree with the removal of the fleet at this time, it bears out this fact, that a fleet of a country is not primarily a defensive weapon, but in case of warfare its primary duty is to proceed out to sea under secret orders to perform its function of offensive warfare, and while in times of peace a country's fleet might ride quietly in a protected harbor, and while it might appear on the surface that that harbor and its facilities are well defended, nevertheless witness the fact of our entire fleet in Atlantic waters and really nothing to protect our important harbors and arteries, and termini of the maritime trade in the great Pacific.

I do not recall when a special committee of Congress investigated and inspected the defenses of our country; but I do know that, if at all, it was so many years ago that in the interim Pacific coast ports have assumed great importance in maritime trade. Los Angeles Harbor perhaps exports more oil than any seaport in the world, and there are clustered on the hills that surround Los Angeles Harbor many hundreds of huge storage tanks filled with many millions of barrels of oil. This supply has always been available for commerce and trade and for the fuel necessities of our own fleet. There is an old fort on the south crest of the hills overlooking this harbor with several mortars and naval-type disappearing rifles, supposedly to defend these great facilities and this great storage of fuel oil as well as other property. The same can be said of the harbor at San Diego, through which pass volumes of trade and traffic to the Orient and southerly through the Canal into the Atlantic seaports. The same might be said of San Francisco's marvelous work of nature, the Golden Gate Harbor, and Puget Sound ports in the State of Washington and ports in Oregon, and the ports of lesser importance dotted in that great stretch of seacoast from the Canadian border to the Mexican border in the south.

It would seem to me that at this juncture of rapid events of international import, and more particularly the Japanese declaration of the hands-off policy of world powers so far as China is concerned, this resolution is important. I do not like to play the role of one of those who say, "I told you so", but that which I anticipated when I twice before spoke in this House to protest the removal of the Pacific Fleet has exactly occurred. I could not predict then just what the Japanese Imperial Government would do when our Fleet was out of Pacific waters, but I could anticipate something, and that something came in the form of this so-called "declaration of the Monroe Doctrine over the Japanese eastern neighbors."

To the so-called "silverites" of Congress, may I suggest what tangible values could follow from the adoption of the policy of the remonetization of silver if those great silver territories which we regard as purchasers of our surplus products of field and factory are denied the right to use their silver to purchase from us. To the silverite this item should present a very serious situation, because among the experiences of this depression we discovered that the so-called "gold-currency nations" scattered on the Continent cannot become heavy purchasers of American products and that the whole scheme and intent of liberalizing the law re-

specting remonetization of silver depends emphatically upon the open-door policy of China and its contiguous territory. But the Japanese declaration, carried to its extremity, would sever any hope of that beneficial result.

There is no intention, if this resolution should pass, that the special committee should investigate the condition of our defenses on the Pacific coast and Alaska from the point of view of a prosecutor. It should not be our intention to in any way permit this committee to find fault with any of the various departments of the military branch of our service, or to investigate in a hypercritical manner or to dig up mud or cast slurs on the past conduct of the administrators of the affairs of the military service. I intend that this committee should review the situation more from the standpoint of a survey and, in the spirit of fairness, report to this Congress its findings and suggest constructive measures for the future. It might be well said that the Army knows of its deficiencies and by way of its annual reports has called Congress' attention to the inadequacy of our defenses not only on the Pacific coast but everywhere in continental and territorial United States. But permit me to suggest that experience teaches that a department of the Government might come on bended knee to Congress and its committees to supply the needed funds for national defense, but the merits of these requests are regarded as coming from departments of the Government and are treated lightly.

I am firmly convinced that if a group of laymen from the House see and inspect for themselves, calling into conference of course proper military authorities, that this committee would come back to Congress and win over the support of their colleagues who are not familiar with the problem.

Proper public sentiment would be developed through the activities of this committee so as to compel a decent and protracted consideration of the wants of national defense. Every good citizen is today demanding national defense. What kind of national defense they do not, of course, know. The press of the country has been extremely critical of the military departments for their seeming lack of interest. But I say to you gentlemen of the House that the real responsibility must be laid at the door of Congress, for to the Congress the Constitution has given the exclusive jurisdiction of providing for the national defense; and since seeing is believing, I plead with you to support whole-heartedly my resolution so that in the years that may follow—and, if trouble ensues—at least we, as Members of the Seventy-third Congress, sworn to enforce and uphold the Constitution, may have done our official duty in this respect.

AMENDMENT OF GRAIN FUTURES ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. CHASE] may have until Monday night to file minority views on the bill (H.R. 9471) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity future exchanges, by providing means for limiting short selling and speculation in such commodities on such exchanges, by licensing commission merchants dealing in such commodities for future delivery on such exchanges, and for other purposes.

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

There was no objection.

REVISION OF AIR-MAIL LAWS

Mr. DOBBINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3170) to revise the air-mail laws, with House amendments, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MEAD, ROMJUE, DOBBINS, KELLY of Pennsylvania, and FOSS.

THE STRAWBERRY INDUSTRY IN WHITE COUNTY, ARK.

Mr. MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to insert therein a short newspaper article touching the agricultural situation in Arkansas.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLER. Mr. Speaker, under leave to extend my remarks on the above-named subject, I include a news item appearing in the issue of the Arkansas Democrat of May 9, 1934, as follows:

RECORD SINGLE-DAY BERRY SHIPMENT

The Missouri Pacific lines have moved 316 carloads of strawberries from the White County district so far this season, rail officials said Wednesday, and are preparing to make a record-breaking movement the first of next week.

Five special trains drawing 112 cars of berries last Monday set a record for a single day's shipment from the district, which extends from Cabot to Bradford. Eighty carloads were shipped Tuesday. The Missouri Pacific officials say their line will handle a total of 1,500 cars for the season, the harvest netting the growers more than a million dollars.

The cold packing of berries, a new development in the marketing system, will be started Monday at Searcy, and it is expected that 5,000 barrels of strawberries will be packed for shipment to St. Louis, where they will be frozen.

The news article is self-explanatory. It needs no comment from me, but I feel a pride in the wonderful progress that has been made in this great industry in Arkansas and in my home county. Her people are finding success in diversified farming, and their experience leads me to believe that the independence of the American farmer depends to a great extent upon his ability to diversify. No State in our country is more favorably situated for this purpose than is Arkansas.

MINNESOTA DAY

Mr. HOIDALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Minnesota Day.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOIDALE. Mr. Speaker, tonight the Minnesota Society of Washington meets in this city to commemorate an event of 76 years ago, when on May 11, 1858, Minnesota was by act of Congress admitted to the Union of States. The North Star State then joined the constellation and another star was added to our flag.

The first Senator from Minnesota, James Shields, had one of the most interesting political careers in American history.

He was a Democrat, the only Democrat that has ever been elected to the Senate from Minnesota in its entire history of 76 years.

Shields was born in Ireland and, as a young man, came to Illinois. His first important office was that of judge of supreme court of that State. He served as a brigadier general in the Mexican War. At the Battle of Cerro Gordo he was shot through the lungs, the bullet passing out at his back. His recovery from what was considered a mortal wound was one of the marvels of medical history. In 1849 he was elected United States Senator from Illinois. After serving 6 years he hearkened to the call of the open plains in the West and was, on the day after Minnesota's admission to the Union, elected Senator from my State. That was his second election to the Senate. He served as a general in the Civil War with great distinction and shortly thereafter took up his abode in the State of Missouri. Here, for a third time—each time from a different State—he was again sent to the United States Senate. Probably no other man in American history, outside of the distinguished sons who have served as President, has had a career more varied and distinguished than that of Minnesota's first and only Democratic Senator. A statue of Senator Shields is in Statuary Hall in this building.

Minnesota started out in 1858 with two congressional districts. She is now represented by nine Congressmen in this House.

All of these first Members of Congress were Democrats, but not since the senatorial toga fell from the shoulders

of Senator Shields has any Democrat ever been elected to the Senate. That situation, however, did not result from failure on the part of Senator Shields to creditably represent our State.

But I do not intend to speak of the political history of Minnesota. Since the passing of Shields and the coming of Lincoln, not only has much water passed over the dam, but many a dam has become outworn and obsolete.

Mr. Speaker, may I briefly, on this eventful day in the history of our great State, say a few words about Minnesota, the pearl of the Middle West, that not only the Members of this Congress, but all America should know:

Bounded upon the north by the clear, sparkling waters of lakes and rivers that divide us from the Dominion of Canada, Minnesota is pierced from the east by the arrow-shaped arm of Lake Superior, giving us a matchless harbor at the city of Duluth, the head of navigation. The Mississippi River, the father of waters, has its origin in the cool, refreshing waters of Lake Itasca in Itasca Park, one of the 10,000 lakes that have made Minnesota as famous as once was Milwaukee.

The purpose of this talk is to extend to all the Members of this body a most friendly and cordial invitation to visit our great and wonderful outdoor paradise. Not only personally as the only Democrat from Minnesota but acting unofficially in behalf of a thousand summer resorts, hundreds of sporty golf links, tens of thousands of fishes that have never been caught, and men, women, and children from every nook and cranny of the State, I want to impress upon you the thought that at no place do men, tired and weary from cares and conflicting emotions, find a more peaceful haven of rest and recreation than is to be found in the fir-scented, health-restoring atmosphere of this unspoiled nature land of the North. Here you will find your appetite restored to a point that will remind you of your school days, and your sleep will be as sound and restful as that of innocent childhood. Not only physical, but mental vigor as well, will convince you that Ponce de Leon did not discover the only fountain of youth.

Entering the State from any direction you glide into Minnesota and through Minnesota over thousands of miles of scenic highways, passing through changing scenes that make every moment a thrill. Every hilltop, every rise in the land as you speed along brings to view opening vistas of green pastures, miles upon miles of golden grain waving in the gentle breeze, beautifully wooded hills and fertile valleys studded with hundreds of clear, peace-inspiring lakes that glisten like diamonds in the midsummer sun.

You will see multitudes of beavers busy at their everlasting tasks, working long hours, and at a speed that would make a Congressman look like a loafer. Tens of thousands of deer fill our northern forests, while birds of every variety and every hue abound and delight the lover of wild life. The joyous notes of a myriad of songbirds mingle with the quacking chatter of wild ducks to greet the rising sun, while at eventide is heard the weird call of the loon and that of the lonely moose signaling to his mate.

If you would only come to visit us once, we could thereafter entertain no hope of having you stay away.

But considering the prospects that some of us will be looking for a new place of abode after November, I must say just a few words about the greatness of Minnesota from a material standpoint.

Nature and nature's God have been good to the North Star State. In the bosom of her northern hills are found the greatest iron deposits in the world, with an annual output of nearly fifty millions of tons of ore. Whether you ride in a princely Pierce or a plebeian Ford, you are protected and held aloft by steel that comes from the great iron ranges of northern Minnesota.

We have the most fertile soil to be found out doors. We produce pumpkins large enough to float an elephant upon the open sea. We produce cobs of corn large enough to choke any Texas or Alabama razorback that ever lived. We produce potatoes so large and heavy that the ordinary dining table has to be supplied with reinforced legs. We raise more

potatoes and less hell than any other State in the Union. We make more butter than any State. Land O'Lakes butter is found on the best tables of every land, and so is bread from the world-famous flour produced in Minnesota. We have earned and we intend to retain the title "The Bread and Butter State."

Now, picture to yourself a State richly endowed with all the blessings that a benevolent Providence could possibly shower upon any people—a State that leads all others in the great staples of life I have mentioned—a State in which the soil groans under the weight of heavy crops; a State in which you can enjoy your breakfast in the gilded and luxurious dining rooms of the great twin cities—Minneapolis and St. Paul—eat your lunch at Duluth, and prepare your bed at night at the lakeside in a forest where the pleasant odors from majestic cedars will ease you off into the realms of dreamland; just picture to yourself this and then stay away if you have the heart to do so.

I am happy to have this opportunity today to extend this invitation to you upon this anniversary of Minnesota's birth, because it will probably be my last and only opportunity to extend a similar invitation from this floor.

Should the fates favor me, I may 1 year from today have the privilege of extending a similar invitation from the seat occupied so gracefully by Senator Shields 76 years ago.

HENRY A. BARNHART

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extent my remarks in the RECORD upon the life and public services of Henry Barnhart, former Member of this House.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, the recent death on March 26, 1934, of Hon. Henry A. Barnhart, of Rochester, Ind., former Representative in Congress for the old Thirteenth Indiana District for 12 years, including the strenuous and trying World War period, has brought a sense of profound sorrow to all who knew him. As one who now represents a large part of his old district, I wish to pay him a tribute of friendship and high respect. He was my counselor and friend.

The record of his life was one of noteworthy service to his fellow man. Many of the older Members of the House still have the warmest recollections of Mr. Barnhart.

He was born at Twelve Mile, Ind., September 11, 1858, son of the Reverend Jacob and Mary Fisher Barnhart.

His first public service was as a teacher in the public schools.

In 1884 he was elected Fulton County surveyor and the following year acquired the Rochester Sentinel, of which journal he was owner and editor for 40 years. He was made a member of the Indiana Democratic State committee in 1892, and the next year was named by Governor Matthews as a member of the board of the Indiana State Prison. He was appointed to similar duties by two succeeding governors.

First elected to Congress in 1908, he served for six terms. For half of that time he was Chairman of the Committee on Printing. He also served on the important Committees on Banking and Currency, Merchant Marine and Fisheries, and Public Buildings and Grounds.

Service on the latter committee brought him more than ordinary satisfaction, as he had a keen appreciation of the beauties of architecture. Through his work on that committee he had a part in the work which produced in Washington and elsewhere some of the finest structures known.

Mr. Barnhart derived his greatest pride, through his service on the Public Buildings Committee, from the magnificent Lincoln Memorial which graces, as no other structure could, the river end of that attractive park and monument section of Washington traditionally known as the "Mall." He loved to direct visitors to that stately structure commemorating the immortal Civil War President. Its massiveness, its simple grandeur, always was an inspiration to Mr. BARNHART, and he reflected it eloquently in his description of it to others.

Congressman Barhart was punctual and constant in his attendance at meetings of House committees to which he was assigned. He was always interested in their work, and gave freely of his energy in the performance of the tasks they marked out.

When in Washington he was a regular attendant at the Calvary Baptist Church, which was the denomination of his own church home in Rochester, Ind.

Socially he was delightful as a guest and as a host. His sparkling conversation, his mastery of dialect, and his inimitable story telling made him a welcome addition to any group. These attributes, together with his companionable disposition, accounted for much of his popularity.

Another trait recognized by those who knew him well was the steadfastness of his friendship with his neighbors and associates. In the rush of his congressional work he never forgot old friends, and he found much joy in a heavy personal correspondence with them. He was famous as an after-dinner speaker, and his services were in great demand.

In business also his was a busy life. At an early date he was secretary and manager for the board of directors in the management of the Rochester waterworks system. He was instrumental in organizing the Rochester telephone system and was its president and general manager from 1895 to the date of his death. Banking, education, and civic work occupied much of his time.

In both the newspaper and telephone fields, Mr. Barnhart was a leader. He was president of the National Independent Telephone Association and of the Indiana State Telephone Association, also president of the Indiana Democratic State Editorial Association and the Northern Indiana Nonpartisan Editorial Association. He was for many years president of his local organization of the American Red Cross and was appointed to many State and national organizations on behalf of various charitable, health, and public-welfare movements. Still another aspect of this able and versatile citizen's interests was farming, he being much interested in thoroughbred cattle.

The news of his passing after a long and full life saddened many men of prominence in the life of the Nation. Tribute was paid by the Vice President of the United States, Hon. John N. Garner, in the following words:

I had known Henry A. Barnhart for 25 years. To know him was to love him. Many men in Congress come and go without being remembered, but none of us who served with Henry Barnhart has ever forgotten him. He may be gone from us, but the memory of him will live.

He was also the colleague and close friend of Hon. Cordell Hull, now Secretary of State, who expressed similar sentiments of tribute and sorrow:

As my colleague Hon. LOUIS LUBLOW has eloquently stated:

Mr. Barnhart was made of the best quality of Hoosier homespun. His greatness was elemental and composed of many virtues, outstanding among which were honesty, sincerity, and friendship of such quality that the older it grows the tighter it binds. It seemed so fitting that he should be always happy, because he made everybody around him happy.

Henry Barnhart was proof that it is possible to succeed in public life and uphold clean politics—

Said the editor of the Marion Leader-Tribune:

He refused to have anything to do with corrupt practices either in his public or private life, and the people honored him repeatedly. He was a man they knew they could trust. He was a pioneer in the movement to take State institutions out of politics. When political leaders came to him with talk of the spoils that awaited them in the prisons, the welfare, and educational institutions if the party should succeed at the polls, they met with rebuff. He would have none of it.

There is solace in the knowledge that Mr. Barnhart's career was replete with deeds, commendable deeds, of which those who mourn, may ever be proud—

Said the News-Sentinel, of Rochester, Ind., his home city:

Reared in the humblest of rural surroundings, under the tutelage of what now would be termed "homespun Christian parentage," Mr. Barnhart early in life established a well-defined demarcation between right and wrong, and from these simple but powerful classifications of all human deeds he stood and fought indomitably for what he deemed was just. He was a fearless exponent for every worth-while movement for the benefit of his community. His outstanding personality, together with his desire to be a sincere

friend of those in all walks of life, finally embarked him on a political career, under the Democratic banner, which gained the plaudits of even many of adverse political faith. During his six terms in the United States legislative chambers, he served his constituents, district, State, and Nation, in such an unbiased, businesslike manner that the word "politician", in a professional sense, was never connected with the name of Congressman Barnhart.

Perhaps in this comment on the passing of a citizen and friend, who has left an indelible mark of honesty, efficiency, and helpfulness which will ever be remembered in this community, one of the finest tributes to Henry A. Barnhart may be said in these few words: He was a lover of his fellow man, of nature, of wholesome humor, of his home, his family, and church.

Beyond life's last barrier, Mr. Speaker, there are no parties, and I was pleased to receive from his political antagonist and mine, Hon. Andrew J. Hickey, this fine tribute to Congressman Barnhart:

Mr. Barnhart served the Thirteenth Indiana District as a Representative in Congress for 12 years. His service was outstanding. While he was a strong partisan, he never permitted partisanship to enter into the many and perplexing demands upon him by his constituents. His rule of conduct in all such matters was service. "What can I do most to serve my constituents?" This was always uppermost in his mind.

Mr. Barnhart will be greatly missed in the many fields he occupied, as publisher, business executive, and public-spirited citizen.

The career of this distinguished man carries a high inspiration to all of us. The memory of this good citizen will remain bright for many years to come as an example of high ideals being realized in public office, and it is there that we need them most.

After life's fitful fever, he sleeps well.

A life well lived is well spent and death to such a man is only another name for peace. This is true whether one is in private or public life. But one in public life, just because the office gives prominence to the name, is under a peculiar obligation to the Republic. His standards, good or bad, tend to influence the lives, not only of his own generation, but of the boys and girls who follow him. Character molds character, and patriotism begets patriots. It is here that one achieves earth's immortality. It is here that the coming generation seizes the baton from the runner who is spent.

Henry Barnhart's race is run. But the race goes on in the lives of those who learned from him that public office is a public trust.

I cannot sum up this good life better than to repeat the words of the Spartan oath given by age to youth more than 23 centuries ago:

We will never bring disgrace to this, our city, by any act of dishonesty or cowardice, nor ever desert our suffering comrades in the ranks. We will fight for our ideals and sacred things of the city, both alone and with many. We will revere and obey the city's laws and do our best to incite a like respect in those above us who are prone to annul them and set them at naught. We will strive unceasingly to quicken the sense of civic duty. Thus in all these ways we will transmit this city not less but far greater and more beautiful than it was transmitted to us.

RAILROAD PENSION LEGISLATION

Mr. KELLER. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. KELLER. Mr. Speaker, the other day I announced here that the gentleman from Ohio [Mr. CROSSER] and myself, representing the two sides on the railroad pension legislation, had gotten together on a bill. We were together in spirit, but not in fact, but today we both filed bills which had already passed the committee in the Senate and had been recommended, and those bills are Nos. 9596 and 9597, the first one by Mr. CROSSER and the second by myself.

BUREAU OF FISHERIES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I understand that it is intended by Executive order to transfer the Bureau of Fisheries from the Department of Commerce to the De-

partment of the Interior. I consider this to be an unfortunate and unwise move, because the Bureau of Fisheries properly belongs within the Department of Commerce. The Department of the Interior is mainly concerned with internal matters, particularly with the conservation of our natural resources; only in a very limited sense does fisheries come within the purview of that Department. Fisheries has to do with commerce and industry, and concerns in the main, activities beyond the confines of continental United States. I sincerely trust that the Members of the House who are interested in this matter on the east coast, along the Gulf, and the west coast, will realize the inadvisability of transferring the Bureau of Fisheries from the Department of Commerce to the Department of the Interior, and take action to present their views upon this question to the proper officials.

SENATE BILLS REFERRED

A joint resolution and bill of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J.Res. 100. Joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp; to the Committee on the Library; and

S. 1639. An act to establish a Federal Credit Union System, to establish a further market for securities of the United States and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 177. An act for the relief of Lottie Bryant Steel;
 H.R. 190. An act for the relief of Elizabeth T. Cloud;
 H.R. 200. An act for the relief of Jacob Durrenberger;
 H.R. 207. An act for the relief of Homer C. Chapin;
 H.R. 371. An act for the relief of Peter Guilday;
 H.R. 503. An act to authorize the donation of certain land to the town of Bourne, Mass.;
 H.R. 878. An act for the relief of Kathryn Thurston;
 H.R. 889. An act for the relief of Frank Ferst;
 H.R. 1207. An act for the relief of Robert Turner;
 H.R. 1208. An act for the relief of Frederick W. Peter;
 H.R. 1209. An act for the relief of Nellie Reay;
 H.R. 1254. An act for the relief of H. Forsell;
 H.R. 2021. An act to place Jesse C. Harmon on the retired list of the United States Marine Corps;
 H.R. 2203. An act for the relief of Enoch Graf;
 H.R. 2431. An act for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department;
 H.R. 2750. An act for the relief of Scott C. White;
 H.R. 3553. An act for the relief of Harvey O. Willis;
 H.R. 3673. An act to amend the law relative to citizenship and naturalization, and for other purposes;
 H.R. 3868. An act for the relief of Arabella E. Bodkin;
 H.R. 4060. An act for the relief of Ellen Grant;
 H.R. 4274. An act for the relief of Charles A. Brown;
 H.R. 4927. An act for the relief of C. J. Holliday.
 H.R. 4928. An act for the relief of the Palmetto Cotton Co.;
 H.R. 4929. An act for the relief of J. B. Trotter;
 H.R. 5299. An act for the relief of Orville A. Murphy;
 H.R. 5542. An act for the relief of Joe G. McInerney;
 H.R. 7059. An act to provide for the further development of vocational education in the several States and Territories;
 H.R. 8052. An act to amend sections 203 and 207 of the Hawaiian Homes Commission Act, 1920 (U.S.C., title 48, secs. 697 and 701), conferring upon certain lands of Auwaio-limu, Kewalo, and Kalawahine, on the island of Oahu, Territory of Hawaii, the status of Hawaiian home lands, and providing for the leasing thereof for residence purposes;

H.R. 8208. An act to provide for the exploitation for oil, gas, and other minerals on the lands comprising Fort Morgan Military Reservation, Ala.;

H.R. 8235. An act to authorize the Secretary of War to convey by appropriate deed of conveyance certain lands in the District of Ewa, island of Oahu, Territory of Hawaii; and

H.J.Res. 311. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at A Century of Progress Exposition, Chicago, Ill., to be admitted without payment of tariff, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 752. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards; and

S. 2671. An act repealing certain sections of the Revised Code of Laws of the United States relating to the Indians.

Mr. COLLINS of Mississippi. Mr. Speaker, I renew my point of no quorum.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p.m.), in accordance with its order heretofore made, the House adjourned until Monday, May 14, 1934, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

APRIL 20, 1934.

To the Clerk of the House of Representatives:

Pursuant to clause 4 of rule XXVII, I, GARDNER R. WITHROW, move to discharge the Committee on Interstate and Foreign Commerce from the consideration of the bill (H.R. 7430) entitled "A bill to establish a 6-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes", which was referred to said committee January 29, 1934, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

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|-----------------------------|--------------------------|
| 1. Gardner R. Withrow | 35. William J. Granfield |
| 2. J. H. Sinclair | 36. Terry M. Carpenter |
| 3. D. D. Glover | 37. Raymond J. Cannon |
| 4. Paul J. Kvale | 38. Walter Nesbit |
| 5. Ernest Lundeen | 39. G. W. Blanchard |
| 6. T. C. Coffin | 40. J. Howard Swick |
| 7. Sterling P. Strong | 41. Vincent Carter |
| 8. Richard J. Welch | 42. J. Will Taylor |
| 9. Hubert H. Peavey | 43. N. L. Strong |
| 10. Fred H. Hildebrandt | 44. Randolph Carpenter |
| 11. Jesse P. Wolcott | 45. Guy M. Gillette |
| 12. Ben Cravens | 46. W. Frank James |
| 13. G. J. Boileau | 47. F. H. Shoemaker |
| 14. Magnus Johnson | 48. C. C. Dowell |
| 15. Tilman B. Parks | 49. Harold McGugin |
| 16. Ray P. Chase | 50. Wm. Lemke |
| 17. Glenn Griswold | 51. Morgan G. Sanders |
| 18. George R. Durgan | 52. John D. Dingell |
| 19. Clyde Kelly | 53. Arthur D. Healey |
| 20. William P. Connery, Jr. | 54. Compton I. White |
| 21. M. J. Muldowney | 55. James J. Lanzetta |
| 22. M. A. Dunn | 56. Henry Ellenbogen |
| 23. Thomas O'Malley | 57. George W. Lindsay |
| 24. John Fitzgibbons | 58. J. Leroy Adair |
| 25. Alfred F. Beiter | 59. Thomas J. O'Brien |
| 26. Elmer E. Studley | 60. R. E. Thomason |
| 27. John E. Miller | 61. W. P. Lamberton |
| 28. C. Murray Turpin | 62. J. H. Hoepfel |
| 29. Loring M. Black, Jr. | 63. Clifford R. Hope |
| 30. R. T. Wood | 64. M. A. Zioncheck |
| 31. Martin L. Sweeney | 65. Louis Ludlow |
| 32. Charles Kramer | 66. Isabella Greenway |
| 33. Warren J. Duffey | 67. Charles V. Truax |
| 34. John A. Martin | 68. Kent E. Keller |

- | | |
|--------------------------|---------------------------|
| 69. Carl M. Weideman | 108. C. W. Henney |
| 70. T. A. Jenkins | 109. Marian W. Clarke |
| 71. Frank R. Reid | 110. Edgar Howard |
| 72. Henry Arens | 111. Leo E. Allen |
| 73. W. H. Larrabee | 112. Sam L. Collins |
| 74. Albert E. Carter | 113. Wm. I. Traeger |
| 75. Thomas C. Cochran | 114. U. S. Guyer |
| 76. W. G. Andrews | 115. Sam B. Hill |
| 77. B. M. Jacobsen | 116. Knute Hill |
| 78. Roy O. Woodruff | 117. P. H. Moynihan |
| 79. James Hughes | 118. Martin F. Smith |
| 80. James A. Frear | 119. Wilbur L. Adams |
| 81. D. C. Dobbins | 120. W. D. McFarlane |
| 82. Russell Ellzey | 121. W. F. Brunner |
| 83. D. D. Terry | 122. Henry E. Stubbs |
| 84. H. P. Kopplemann | 123. Edward C. Eicher |
| 85. Frank H. Lee | 124. E. W. Goss |
| 86. Chester Thompson | 125. Paul H. Maloney |
| 87. O. L. Auf der Heide | 126. Cleveland Dear |
| 88. Martin A. Brennan | 127. A. C. Shallenberger |
| 89. Wesley Lloyd | 128. Otha D. Wearin |
| 90. J. O. Fernandez | 129. Edward R. Burke |
| 91. Fred Biermann | 130. Fred C. Gilchrist |
| 92. Harry L. Englebright | 131. James I. Farley |
| 93. Clark W. Thompson | 132. Fred A. Hartley, Jr. |
| 94. John Lesinski | 133. Hamilton Fish, Jr. |
| 95. J. C. Lehr | 134. J. Hardin Peterson |
| 96. Joe H. Eagle | 135. J. Mark Wilcox |
| 97. Wm. H. Sutphin | 136. George N. Seger |
| 98. Edward T. Taylor | 137. Brent Spence |
| 99. Theo. B. Werner | 138. J. G. Polk |
| 100. Roy E. Ayers | 139. Robert T. Secrest |
| 101. B. K. Focht | 140. Wm. T. Schulte |
| 102. James W. Mott | 141. Oscar De Priest |
| 103. Frank Gillespie | 142. Virginia E. Jenckes |
| 104. Wm. L. Fiesinger | 143. Everett M. Dirksen |
| 105. Tom D. McKeown | 144. William I. Sirovich |
| 106. Walter M. Pierce | 145. Mon. C. Wallgren |
| 107. Jennings Randolph | |

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, May 11, 1934.

EXECUTIVE COMMUNICATIONS, ETC.

470. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting an estimate of appropriation submitted by the Commissioners of the District of Columbia to pay a claim which has been settled by them, amounting to \$5,000, and which requires an appropriation for its payment (H.Doc. No. 366), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAY: Committee on Military Affairs. H.R. 9092. A bill to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16- by 80- by 40-foot assembly tents; thirty 11- by 50- by 15-foot hospital-ward tents; 10,000 blankets, olive drab, no. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, no. 1; 10 field bake ovens; and 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934; with amendment (Rept. No. 1582). Referred to the House Calendar.

Mr. JONES: Committee on Agriculture. S. 3185. An act to amend the Agricultural Adjustment Act, as amended, with respect to farm prices; with amendment (Rept. No. 1583). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE: Committee on the Public Lands. H.R. 5791. A bill to add certain lands to the Challis National Forest; with amendment (Rept. No. 1584). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. S. 1800. An act to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture; with amendment (Rept. No. 1585). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H.R. 9273. A bill to extend the public-land laws of the United States to certain lands in the Red River in Oklahoma; without amendment (Rept. No. 1586). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON: Committee on the Public Lands. H.R. 5531. A bill for the protection of the municipal water supply of the city of Salt Lake, State of Utah; without amendment (Rept. No. 1587). Referred to the Committee of the Whole House on the state of the Union.

Mr. DeROUEN: Committee on the Public Lands. H.R. 9149. A bill to accept the cession by the State of Arkansas of exclusive jurisdiction over all lands now or hereafter included within the Hot Springs National Park, Ark., and for other purposes; without amendment (Rept. No. 1588). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 9567. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.; with amendment (Rept. No. 1589). Referred to the House Calendar.

Mr. MONAGHAN of Montana: Committee on Interstate and Foreign Commerce. H.R. 9434. A bill granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington; without amendment (Rept. No. 1590). Referred to the House Calendar.

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H.R. 5522. A bill to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms; without amendment (Rept. No. 1591). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WILLFORD: Committee on War Claims. S. 2357. An act for the relief of Arthur Bussey; without amendment (Rept. No. 1580). Referred to the Committee of the Whole House.

Mr. JONES: Committee on Agriculture. H.R. 4915. A bill for the relief of A. Zappone, disbursing clerk, United States Department of Agriculture; with amendment (Rept. No. 1581). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H.R. 2435) for the relief of Claribel Moore, 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. RAMSPECK: A bill (H.R. 9593) to provide for a special clerk and liaison officer; to the Committee on the Civil Service.

By Mr. WILSON: A bill (H.R. 9594) granting the consent of Congress to the Tensas Basin Levee Board of the State of

Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. STUDLEY: A bill (H.R. 9595) to increase the compensation of letter carriers in the village delivery service; to the Committee on the Post Office and Post Roads.

By Mr. CROSSER of Ohio: A bill (H.R. 9596) to provide a retirement system for railroad employees, and thereby to provide unemployment relief, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLER: A bill (H.R. 9597) to provide a retirement system for railroad employees, and thereby to provide unemployment relief, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. AYERS of Montana: A bill (H.R. 9598) to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

By Mr. RAYBURN: A bill (H.R. 9599) to amend the Air Commerce Act of 1926, and to increase the efficiency of the aeronautics branch of the Department of Commerce with respect to the development and regulation of civil aeronautics; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIONCHECK: A bill (H.R. 9600) to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBINSON: A bill (H.R. 9601) to restore to the public domain portions of the Jordan Narrows, Utah, Military Reservation; to the Committee on Military Affairs.

Also, a bill (H.R. 9602) to excuse certain persons from residence upon homestead lands during 1933 and 1934, in the drought-stricken areas; to the Committee on the Public Lands.

By Mr. ANDREWS of New York: Joint resolution (H.J. Res. 341) authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y.; to the Committee on Military Affairs.

By Mr. BLOOM: Joint resolution (H.J. Res. 342) authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument; to the Committee on the Library.

By Mr. IGLESIAS: A joint resolution (H.J. Res. 343) to amend the Agricultural Adjustment Act, approved May 12, 1933, Public Law No. 10, Seventy-third Congress; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BRUNNER (by request): A bill (H.R. 9603) for the relief of John F. Flynn; to the Committee on Military Affairs.

By Mr. CARTER of California: A bill (H.R. 9604) for the relief of Harold W. Cornwall, also recorded as Harry W. Cornwall; to the Committee on Naval Affairs.

By Mr. CHAVEZ: A bill (H.R. 9605) for the relief of Harry T. Herring; to the Committee on Military Affairs.

By Mr. DISNEY: A bill (H.R. 9606) for the relief of the Pawnee Tribe of Indians of Oklahoma; to the Committee on Indian Affairs.

By Mrs. KAHN: A bill (H.R. 9607) granting a pension to Mort Wallace Mays; to the Committee on Pensions.

Also, a bill (H.R. 9608) for the relief of William H. Locke; to the Committee on Claims.

By Mr. MOTT: A bill (H.R. 9609) granting a pension to Rhoda H. Lozier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9610) for the relief of Ivan H. McCormack; to the Committee on the Public Lands.

Also, a bill (H.R. 9611) granting a pension to John R. Gamble; to the Committee on Pensions.

By Mr. O'CONNELL: A bill (H.R. 9612) for the relief of Joseph Henry Smith; to the Committee on Naval Affairs.

By Mr. TINKHAM: A bill (H.R. 9613) providing for the advancement in rank of Hugh A. R. Keiran on the retired list of the United States Navy; to the Committee on Naval Affairs.

By Mr. TOBEY: A bill (H.R. 9614) granting a pension to Edwin B. Palmer; to the Committee on Invalid Pensions.

By Mr. BRUNNER (by request): A bill (H.R. 9615) authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post-office building at Hempstead, N.Y.; to the Committee on Public Buildings and Grounds.

PETITIONS, ETC.

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

4610. By Mr. CULLEN: Petition of the Booker T. Washington Society of the Brooklyn Evening School, urging the enactment of the Wagner-Costigan antilynching bill; to the Committee on the Judiciary.

4611. By Mr. HANCOCK of New York: Petitions favoring Government loans to business and industry, signed by approximately 4,000 residents of Syracuse and vicinity, submitted by Hon. Rolland B. Marvin, mayor of Syracuse, for the Industrial Recovery League; to the Committee on Banking and Currency.

4612. By Mr. HESS: Resolution adopted by the National Progressive League, whose headquarters are in Cincinnati, Ohio, requesting that Manchukuo be recognized by the United States; to the Committee on Foreign Affairs.

4613. By Mr. O'CONNELL: Petition of the Eighth Ward Women's Democratic Club, Providence, R.I., favoring Senate bill 1978; to the Committee on the Judiciary.

4614. By Mr. RUDD: Petition of the Northeastern Retail Lumbermen's Association, Rochester, N.Y., favoring legislation for the building industry through a plan of Federal financing; to the Committee on Banking and Currency.

4615. Also, petition of the Booker T. Washington Society of the Brooklyn Evening High School, Brooklyn, N.Y., favoring the Wagner-Costigan antilynching bill; to the Committee on the Judiciary.

4616. Also, petition of the Merchants' Association of New York, favoring the passage of House bill 9322; to the Committee on Ways and Means.

4617. By Mr. TARVER: Petition of J. D. Nichols, vice chairman Wayne County (Ga.) Agricultural Board, and others asking for the passage of the Tarver bill (H.R. 9457), to provide for the use of Civilian Conservation Corps Camps, when abandoned, by 4-H club boys and girls, and for other educational and recreational purposes; to the Committee on the Public Lands.

4618. By Mr. THOMAS: Petition of approximately 100 citizens of Glens Falls, N.Y., urging the adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4619. By the SPEAKER: Petition of Local Union No. 96, Plasterers and Cement Finishers, Washington, D.C., endorsing the resolution of Representative McFADDEN, of Pennsylvania (H.Res. 343), to investigate all Federal building contracts, regarding violations of the Bacon-Davis Prevailing Wage Act; to the Committee on Rules.

4620. Also, petition of the members of the Children of Mary Sodality, of the Church of the Assumption, of the city of Ansonia, Conn., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4621. Also, petition of the Court of St. Rita No. 916, Catholic Daughters of America, urging adoption of the amendment to section 301 of S. 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

SENATE

SATURDAY, MAY 12, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 10 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, May 11, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Pope
Ashurst	Couzens	Kean	Reynolds
Austin	Dickinson	Keyes	Robinson, Ark.
Bachman	Dill	King	Schall
Balley	Duffy	La Follette	Sheppard
Bankhead	Erickson	Lewis	Shipstead
Barbour	Fess	Logan	Stelwer
Barkley	Fletcher	Loneragan	Stephens
Black	Frazier	McCarran	Thomas, Okla.
Bone	George	McGill	Thomas, Utah
Borah	Gibson	McKellar	Thompson
Bulkley	Glass	McNary	Trammell
Bulow	Goldsborough	Metcalf	Tydings
Byrd	Gore	Murphy	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Norbeck	Wagner
Carey	Hastings	Norris	Walcott
Clark	Hatch	Nye	Walsh
Connally	Hatfield	O'Mahoney	Wheeler
Coolidge	Hayden	Overton	
Copeland	Hebert	Patterson	

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McAdool] is absent because of illness; that the Senator from Georgia [Mr. Russell] is absent because of a death in his family; and that the Senator from Louisiana [Mr. Long], the Senator from Illinois [Mr. Dieterich], the junior Senator from Arkansas [Mrs. Caraway], the Senator from South Carolina [Mr. Smith], the Senator from New Hampshire [Mr. Brown], and the Senator from Nevada [Mr. Pittman] are necessarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. HEBERT. I wish to announce that the senior Senator from Pennsylvania [Mr. Reed], the Senator from Indiana [Mr. Robinson], the Senator from Maine [Mr. White], the Senator from Delaware [Mr. Townsend], the junior Senator from Pennsylvania [Mr. Davis], and the Senator from New Mexico [Mr. Cutting] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from Dr. John J. Casey, of Wilkes-Barre, Pa., remonstrating against the confirmation of the nomination of James J. Law to be postmaster at Wilkes-Barre, Pa., which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate resolutions adopted by the Provincial Board of Abra at Bangued, P. I., protesting against the imposition of an excise tax of 5 cents per pound on coconut oil imported into the United States from the Philippines, which were ordered to lie on the table.

Mr. KING presented a resolution adopted by the city council of Springville, Utah, favoring the enactment of legislation either repealing or amending section 4 of the Interstate Commerce Act so as to place upon the railroads responsibility for determining reasonably compensatory rates for services performed in rail traffic, competitive with traffic moving via the Panama Canal, etc., which was referred to the Committee on Interstate Commerce.